



BOARD OF TRUSTEES  
September 30, 2025  
6:30 PM

Leeper Center, 3800 Wilson Avenue, Wellington, CO

### Work Session Agenda

The Zoom information below is for online viewing and listening only.

Please click the link below to join the webinar:

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Or One tap mobile :

US: +17207072699,,84871162393# or +17193594580,84871162393#

Webinar ID: 848 7116 2393

#### A. ITEMS

1. Town of Wellington Financial Management Policies
  - Presentation: Nic Redavid, Finance Director | Town Treasurer
2. Fiscal Year 2026 Budget Discussion — Larimer County Sheriff's Office Budget Presentation
  - Presentation: Lieutenant Josiah Thiemann
3. Fiscal Year 2026 Budget Discussion — Draft CIP Expenditures
  - Presentation: Patti Garcia, Town Administrator; Nic Redavid, Finance Director | Town Treasurer; Hannah Hill, Town Clerk; Cody Bird; Planning Director; Bob Gowing, Public Works Director; Meagan Smith, Deputy Director of Public Works and Utilities; Nathan Ewert, Deputy Director of Public Works and Engineering; Billy Cooksey, Parks and Recreation Manager
4. 4th of July Video & Screen Options
  - Presentation: Kelly Houghteling, Deputy Town Administrator

The Town of Wellington will make reasonable accommodations for access to Town services, programs, and activities and special communication arrangements. Individuals needing special accommodation may request assistance by contacting at Town Hall or at 970-568-3380 ext. 110 at least 24 hours in advance.

## Board of Trustees Meeting

**Date:** September 30, 2025

**Subject:** Town of Wellington Financial Management Policies

- **Presentation: Nic Redavid, Finance Director | Town Treasurer**

### **BACKGROUND / DISCUSSION**

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*"Financial policies are a key element of sound fiscal administration."* — Shayne C. Kavanagh, Government Finance Officers Association

The Government Finance Officers Association (GFOA) recommends that governments should formally adopt financial policies that are monitored, reviewed, and updated as needed in a systematic way. Over the past several months, Staff has been gathering requests, input, and feedback for a comprehensive review and update of the Town's policies related to Finance. There are currently three policies in effect:

- Purchasing Policy (Most Recent Update - August 23, 2022)
- Fund Balance Policy (December 13, 2022)
- Financial Policies 2023 (Approved March 28, 2023)

Department Leadership provided input and suggested changes to the current policies, and the Finance Advisory Board provided guidance and resident perspective on the first draft of a new comprehensive version of the Town of Wellington Financial Management Policies. This new Financial Management Policies document supersedes all previous policies and will be a complete overview of the financial management practices of the Town. They seek to ensure that the Town manages its resources to provide the best value to the community, and to provide a framework and boundaries within which Staff can innovate in order to realize the organization's and Board's strategic intent. They promote a long-term perspective and manage risk to the financial condition of the Town.

GFOA recommends that financial management policies comply with established public management best practices. GFOA, through its officially adopted Best Practices endorsement of National Advisory Council on State and Local Budgeting (NACSLB) budget practices and the GFOA Distinguished Budget Presentation Award Program, has recognized financial policies as an essential part of public financial management.

The following is the current draft of the Town of Wellington Financial Management Policies as recommended by Staff. In addition, the aforementioned current policies are included for reference. The final draft will be presented to the Board for adoption consideration at the regular meeting scheduled for November 12, 2025.

### **STAFF RECOMMENDATION**

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Staff is seeking feedback and input from the Board. Specifically, guidance on the Board's risk appetite for debt limitations found on page 12, guidance on the dollar amount and expected life for projects to be considered Capital Improvement (CIP) on page 24, feedback on emergency procurement practices on page 26, and review of purchasing thresholds on pages 28-29 and page 40.

### **ATTACHMENTS**

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1. DRAFT Town of Wellington Financial Managment Policies
2. Town of Wellington Purchasing Policy (Most Recent Update - August 23 2022)
3. Town of Wellington, Colorado Fund Balance Policy 2022 (December 13, 2022)
4. Town of Wellington Financial Policies 2023 (Approved March 28, 2023)



# **Town of Wellington Financial Management Policies**

**Adopted: November 2025  
Effective: January 1, 2026**

Supersedes: Financial Policies (March 28, 2023), Fund Balance Policy (December 13, 2022), Purchasing Policy (August 23, 2022)

## Table of Contents

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|                                                                                             |    |
|---------------------------------------------------------------------------------------------|----|
| Introduction .....                                                                          | 3  |
| Auditing and Financial Reporting.....                                                       | 4  |
| Fund Balance .....                                                                          | 6  |
| Investments .....                                                                           | 8  |
| Budget .....                                                                                | 10 |
| Debt.....                                                                                   | 12 |
| Revenue.....                                                                                | 14 |
| Grants – General .....                                                                      | 16 |
| Grants – Federal .....                                                                      | 19 |
| Operating Expenditures.....                                                                 | 22 |
| Capital Improvement Projects (CIP) .....                                                    | 24 |
| Emergency Procurement.....                                                                  | 26 |
| Purchasing.....                                                                             | 27 |
| Signature Authorization.....                                                                | 31 |
| Purchasing Card (P-Card).....                                                               | 32 |
| Travel.....                                                                                 | 34 |
| Contracts .....                                                                             | 36 |
| Definitions.....                                                                            | 37 |
| Appendices                                                                                  |    |
| A – Signature Authority, P-Card Per Transaction, and P-Card<br>Monthly Spending Limits..... | 40 |
| B – Competitive Bidding Guidelines.....                                                     | 41 |
| C – Independent Contractor Procedures .....                                                 | 44 |

## Introduction

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The Town of Wellington's Financial Management Policies serve as a comprehensive resource for Town staff, consolidating all financial management policies into a single, accessible document. These policies are essential to maintaining the Town's fiscal health, ensuring consistency in financial decision-making, and upholding accountability to the community. They provide a strategic framework to guide both day-to-day operations and long-term financial planning, helping staff manage public funds responsibly and efficiently.

**Importance.** As stewards of public resources, Town staff play a critical role in ensuring that municipal funds are used wisely to sustain essential services, public facilities, and infrastructure that meet both current and future community needs. These policies establish clear guidelines to:

- Define boundaries. Financial policies define limits on the actions staff may take. The policy framework provides the boundaries within which staff can operate.
- Promote transparency and accountability in financial management.
- Ensure compliance with regulatory requirements, including the annual audit and state and federal grant funding requirements.
- Support effective financial planning and internal controls that safeguard public funds.
- Align financial practices with best practices and industry standards, as recommended by the Government Finance Officers Association (GFOA).

**Adopted by resolution of the Board of Trustees, these financial policies provide a foundation for sound fiscal management.**

**Updates.** These policies will be evaluated annually. Revisions and updates will be made periodically, as needed and at least every three years, and require adoption by resolution of the Board of Trustees.

**Distribution.** These policies will be available on the Town's website at [www.WellingtonColorado.gov](http://www.WellingtonColorado.gov)

## Auditing and Financial Reporting

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**Purpose.** This section establishes the Town of Wellington's commitment to transparency, accountability, and compliance in its financial operations through structured reporting and oversight practices. It outlines requirements for annual independent audits, adherence to accounting standards, and regular financial reporting to leadership. These policies ensure that financial information is accurate, timely, and in compliance with state law, while supporting informed decision-making and responsible fiscal management at both the department and Town-wide level.

**Independent Audit.** An independent firm of certified public accountants will annually perform a financial and compliance audit of the Town's financial statements as required by state statute (C.R.S. 29-1-603). The completed audit must be submitted to the Office of the State Auditor annually. (C.R.S. 29-1-601).

The Town shall strive to enter into agreements with its auditors that permit the Town to extend the contract annually, to reduce the need to seek out a new auditor each year. The Government Finance Officers Association (GFOA) recommends that governmental entities should enter into agreements for at least five years when obtaining the services of independent auditors. Such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the independent audit. Due to legal prohibitions on multiyear commitments, a series of one-year commitments with rights to renew can attain a similar effect.

**Accounting Information System.** The Town's accounting system shall be maintained in conformance with Generally Accepted Accounting Principles (GAAP) established by the Governmental Accounting Standards Board (GASB).

**Financial Statements.** The Finance Department will produce monthly financial statements for presentation to and review by the Board of Trustees. Additional financial statements may be produced and presented to the Board, as deemed appropriate by the Finance Director.

**Financial Monitoring.** Each Town department is responsible for reviewing financial statements provided by the Finance Department and managing its resources to ensure that the department's appropriations are not overspent and that all expenditures are in conformity with Town, state and federal ordinances, statutes, policies and regulations.

**Basis of Budgeting.** Basis of budgeting refers to the methodology used to include revenues and expenditures in the budget. The Town of Wellington primarily budgets on a cash basis. Using this assumption, the current year revenues are compared to expenditures to ensure that each fund has sufficient revenues to cover expenditures during

the budget year, or that there are sufficient cash reserves in the fund to cover any anticipated revenue shortfall.

**Basis of Accounting.** Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. The governmentwide and enterprise fund financial statements are reported using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the cash is received. Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recognized as soon as they become both measurable and available, and expenditures are recorded in the periods that the expenditure occurs and becomes a liability.

**Fund Structure.**

The Town of Wellington has (8) eight funds, each serving a unique purpose as described below.

| Fund Type                    | Purpose of Fund                                                                                                                                                                                                                                | Services Provided                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                 |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>General Fund</b>          | The main operating fund for the Town. It accounts for discretionary resources used for activities, programs, and services deemed necessary by the community. Major revenue sources include sales tax, property tax, use tax, and various fees. | <ul style="list-style-type: none"> <li>- Administration</li> <li>- Administrative Facilities</li> <li>- Board of Trustees</li> <li>- Building &amp; Planning</li> <li>- Cemetery</li> <li>- Economic Development</li> <li>- Finance</li> <li>- Human Resources</li> </ul> | <ul style="list-style-type: none"> <li>- Information Technology</li> <li>- Larimer County Sheriff's Office</li> <li>- Library</li> <li>- Municipal Court</li> <li>- Public Work Administration</li> <li>- Town Clerk</li> </ul> |
| <b>Enterprise Funds</b>      | These are self-supporting operations run similarly to private businesses. They finance services primarily through user charges.                                                                                                                | <ul style="list-style-type: none"> <li>- Water</li> <li>- Sewer</li> <li>- Drainage</li> </ul>                                                                                                                                                                            |                                                                                                                                                                                                                                 |
| <b>Special Revenue Funds</b> | These funds support activities financed by taxes or revenues that must be spent on specific programs. Some fees may also support these funds, though they are not the primary source.                                                          | <ul style="list-style-type: none"> <li>- Streets</li> <li>- Parks</li> <li>- Conservation Trust</li> <li>- Library Trust</li> </ul>                                                                                                                                       |                                                                                                                                                                                                                                 |

## Fund Balance

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**Purpose.** The Town of Wellington hereby establishes and will maintain reservations of fund balance as defined herein in accordance with Governmental Accounting Standards Board Statement No. 54 Fund Balance Reporting.

The Board recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the Town and is fiscally advantageous for both the Town and the taxpayer. This policy establishes goals and provides guidance concerning the desired level of fund balance maintained by the Town to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances.

**Minimum Level of Unassigned Fund Balance.** Unassigned fund balance will be maintained at a level sufficient to provide for the required resources to meet operating cost needs, to allow for unforeseen needs of an emergency nature, and to permit orderly adjustment to changes resulting from fluctuations of revenue sources.

**General Fund and Special Revenue Funds (Streets, Parks, and Conservation Trust funds).** The Town of Wellington, at a minimum, will maintain unrestricted budgetary fund balance of no less than four month (33%) of regular operating expenditures or 110% of debt service whichever is greater.

**Enterprise Funds (Water, Sewer, and Drainage).** The Town of Wellington, at a minimum, will maintain the greater of an unrestricted budgetary fund balance of no less than 90 days of regular operating expenditures or a debt service coverage ratio of 1.10 as required by State Revolving Fund (SRF) loan obligations. In addition, all enterprise funds will build up a capital reserve equal to one (1) years' depreciation expense by the end of 2029.

**Library Trust Fund.** The Library Trust fund, a private purpose trust fund, will have no minimum fund balance requirement other than the 3% TABOR reserve.

**Replenishment Strategy.** If the unassigned fund balance at fiscal year-end falls below the minimum level established by the Financial Management Policy, the Town shall develop a replenishment strategy to restore compliance within one to three years. As part of this strategy, the Finance Department will provide a progress report to the Board of Trustees annually. The report will include:

- The current level of fund balance compared to the policy minimum.
- The replenishment plan and timeline.
- Actions taken during the fiscal year to restore the fund balance.
- Recommended adjustments to the strategy, if necessary, to remain on track.

The annual progress report will be presented during the budget development process and incorporated into the financial planning documents provided to the Board of Trustees.

**Order of Expenditure of Funds.** When multiple categories of fund balance are available for expenditure (e.g., a project is being funded partly by a grant, funds set aside by the Board, encumbrances for obligations, and unassigned fund balance), the Town will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

In accordance with governmental accounting standards the Town's total fund balance is comprised of five components:

- A. Non-spendable Fund Balance represents resources that are physically or legally in a non-spendable form such as inventory,
- B. Restricted Fund Balance represents resources limited by state law or the provider such as grants or resources reported as "Stabilization by State Statute",
- C. Committed Fund Balance represents resources previously committed by the Trustees and encumbered for a particular purpose such as a project partially funded by grants, such as executed contracts,
- D. Assigned Fund Balance represents resources assigned less formally for a particular purpose such as insurance reserves or subsequent year spending, and
- E. Unassigned Fund Balance represents all remaining resources. Annual Review and Determination of Fund Balance Reserve Amounts Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process and amounts of the minimum level of unassigned fund balance shall be determined during this process.

## Investments

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**Purpose.** The Town is committed to investing public funds in a manner that will provide preservation of capital, maintain sufficient liquidity to meet anticipated cash flows, diversify investments to avoid unreasonable market risks, generate market rates of return and conform to all local and state statutes.

**Permitted Investments.** In accordance with state law, (C.R.S. 24-75-601) the Town may invest in the following instruments, provided they meet all statutory rating and risk requirements:

- A. Obligations of the U.S. Treasury and U.S. Government Agencies
- B. Certain international agency securities (e.g., World Bank)
- C. General obligation and revenue bonds of U.S. local governments
- D. Commercial paper rated at least A-1/P-1 by a Nationally Recognized Statistical Rating Organization (NRSRO)
- E. Bankers' acceptances issued by certain qualifying banks
- F. Local Government Investment Pools (LGIPs) organized under C.R.S. 24-75-701
- G. Repurchase agreements collateralized by authorized securities
- H. Certain SEC-registered money market mutual funds
- I. Guaranteed investment contracts and funding agreements that meet state requirements

**Authority to Invest.** The Finance Department will be responsible for investment transactions. These transactions will be made in accordance with the goals and guidelines of this investment policy. The Finance Department may choose to use investment managers to manage a portion of the Town's investment portfolio.

**Standard of Prudence.** The standard of prudence to be used shall be the "prudent expert" rule and shall be applied in the context of managing the overall portfolio. Investments shall be made with the care, skill, prudence, and diligence, under circumstances then prevailing, which prudent person acting in like capacities and familiar with such matters would use in the conduct of an enterprise pf like a character and with the aims – not for speculation, but for investment considering the probable safety of their capital as well as possible income to be derived.

**Conflict of Interest.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the Town's investments.

**Diversification.** It is the policy of the Town to diversify investments within the portfolio. Securities shall be diversified to eliminate the risk of loss resulting from over-concentration of investment in a specific maturity, a specific issue or a specific class of

securities. Diversification strategies shall be determined and revised by the Finance Department.

**Safekeeping and Custody.** Investments of the Town shall be held by a third-party custodian (bank or broker/dealer) or any branch of the Federal Reserve. Investment officials shall be bonded to protect the public against possible embezzlement and fraud.

**Collateral Requirements.** To qualify as a depository, financial institutions and savings and loan associations must collateralize the Town's deposits in accordance with: Sections 11-10.5-101 through 11 10.5-121, C.R.S. as amended entitled "Public Deposit Protection Act"; Sections 11-47-101 through 11-47-120 C.R.S. as amended entitled "Savings and Loan Association Public Deposit Protection Act."

**Internal Controls.** The Finance Department shall establish a system of internal controls to ensure the integrity of the investment process. Investment transactions shall be supported by written evidence, such as a confirmation ticket issued by the broker/dealer. In addition, the Town's independent auditor shall perform a review of the controls on an annual basis. The controls shall be designed to prevent loss of public funds because of fraud, error, and misrepresentation by another party or imprudent actions by an employee or employees of the Town.

## Budget

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**Purpose:** This section defines the Town of Wellington's policies and legal obligations for preparing, adopting, and amending the annual budget. It ensures that the budgeting process aligns with state law, supports long-term community priorities, and reflects sound financial planning. These policies promote transparency, accountability, and fiscal discipline by requiring balanced budgets, timely approvals, public engagement, and a clear link between resources and service delivery. The goal is to create a budget that not only meets statutory compliance but also serves as a strategic roadmap for achieving the Town's objectives.

**Fiscal Year.** The Town's budgets on a calendar year, January 1 – December 31 for all funds.

**Budget Development Process Timeline.** By the first regular Board of Trustees meeting in October, staff shall submit to the Board the annual budget for review (Section 29-1-103 et seq., C.R.S.). Prior to December 15, Finance staff will finalize a budget pursuant to Board direction. On or before December 15, the budget must be adopted, funding appropriated, and mill levies certified. A copy of the Town's adopted budget must be filed with the Colorado Department of Local Affairs Division of Local Government by January 31.

**Balanced Budget.** The recommended budget presented annually to the Board of Trustees shall be balanced by fund. According to C.R.S. 29-1-103 no budget adopted shall provide for expenditures in excess of available revenues and beginning fund balances. Surplus fund and fund balance are considered a financing source.

**Compliance with Colorado Revised Statutes.** The Town's budget development process complies with applicable sections of the Colorado Revised Statutes (C.R.S.), including but not limited to:

- A. 29-1-103(2), C.R.S. – No budget shall provide for expenditures in excess of available revenues and beginning fund balances.
- B. 29-1-103(1)(e), C.R.S. – Budgets must include a description of the services to be delivered during the budget year.
- C. 29-1-102(11), C.R.S. – Budgets must show the balance of total resources available for future budgets.
- D. 29-1-103(1)(d), C.R.S. – Budgets must present three years of comparable data.

**Overhead Allocations.** The budget will include overhead allocations to ensure the full cost of services for enterprise funds is reflected. This formula will be reviewed and updated **as needed** to maintain accuracy and equity across funds.

**Fund Level.** The annual budget is adopted and appropriated by the Board of Trustees on a fund level.

**Budget Monitoring.** The Finance Department will maintain a system for monitoring the Town's budget performance. This system will provide the Board with monthly reports that include resource collections, and expenditure on a fund level.

**Link to Long-term Community Plans.** The Town's annual budget will be developed in accordance with priorities set forth by community plans such as the Comprehensive Plan, master plans, Board of Trustees Strategic Plan, the needs of the community, and state and federal laws.

**Distinguished Budget Presentation.** The Town will seek to obtain the Government Finance Officers Association Distinguished Budget Presentation Award for each annual budget. The budget will be presented in a way that clearly communicates the budget to the members of the public.

**Budget Amendments.** It can be anticipated that budget amendments may occur each year. Budget amendments that would increase a fund's adopted budget, such as to expend unanticipated revenues or to transfer appropriated monies to another fund, require Board approval at a duly noticed public meeting.

## Debt

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**Purpose.** This section outlines the Town of Wellington's policy for responsibly managing debt and long-term financing. It ensures that debt is only used when necessary, aligns with capital investment priorities, and supports the Town's long-term financial health. The policy promotes transparency, limits borrowing to appropriate uses, and safeguards affordability by setting clear standards for debt issuance, term limits, oversight, and professional guidance. These principles are intended to maintain financial flexibility, obtain favorable borrowing terms, and preserve the Town's creditworthiness.

**Use of Debt.** The Town will use long-term debt only for capital projects that cannot be financed out of current revenues. The Town will not use long-term debt for current operations.

**Length of Issuance.** Debt payments shall not extend beyond the estimated useful life of the project being financed up to a maximum of 35 years.

**General Fund Debt Limitation.** The Town will follow the most widely used ratio to express the impact of debt on the budget, which is annual debt service as a percentage of general expenditure. The Town will strive to maintain a limit consistent with or lower than the moderate range, unless authorized by the Board of Trustees to exceed range.

Standards and Poor's Debt Service as a Percentage of Expenditure:

- Low: Below 8%
- Moderate: 8% - 15%
- Elevated: 15% - 20%
- High: Above 25%

**Enterprise Fund Debt Limitation.** Revenue debt is paid off using dedicated revenue stream and is commonly associated with enterprise funds. The standard ratio used to express the limitation is debt service coverage, which is calculated by dividing net available revenues (regular or recurring revenues minus operating expenses) by principal and interest requirements for the year. This measure shows the extent to which revenues are available to "cover" annual debt service requirements, after operating costs have been paid for. The Town will strive to maintain a debt service coverage ratio of 1.25 and no lower than 1.10 as required by State Revolving Fund (SRF) loan obligations.

Standards and Poor's Analytical Characterizations of Coverage Ratios:

- Strong: Greater than 1.50
- Good: Between 1.26 & 1.50
- Adequate: Between 1.0 & 1.25
- Insufficient: Less than 1.0

**Approval of Debt Issuance.** Long-term financing shall comply with federal, state, and local legal requirements. Staff will analyze the long-term affordability of the debt and assess the issue's impact of the Town's self-imposed financial limitation of indebtedness. The Finance Advisory Board may provide a recommendation to the Board of Trustees on the issuance of debt. Final approval rests with the Board of Trustees.

**Determining the Method of Sale.** All bonds will be sold at public sale; however, the Town reserves the right to reject any and all bids and sell the bonds at private sale if it is in the best interest of the Town.

**Selection and Use of Professional Service Providers.** The Town may obtain outside professional assistance including bond counsel and public finance professionals, through a request for proposals, to successfully authorize, structure, and market debt obligations.

**Bond Proceeds and Compliance Practices:** Currently, the Town has not issued bonds. In the event a bond issue is needed, the Finance Department and Board of Trustees will need to address this section. Professional services may be utilized to help in the issuance and sale of bonds.

**Debt Refinancing.** When advantageous to the Town, the Town Administrator and/or Finance Director shall present options to the Board of Trustees.

## Revenue

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**Revenue Diversification.** The Town should strive to maintain a diversified mix of revenues in order to provide ongoing stability and predictability. The Town will review revenue raising proposals in light of its total revenue mix in order to encourage growth and keep the Town economically competitive.

**Revenue Forecasting.** All revenue projections will be estimated conservatively. Revenue estimates will be based on trend analysis, economic conditions, and other factors.

**Fees and Charges.** The Town will review its fees and other charges for services annually to ensure that revenues are meeting intended program goals and are keeping pace with inflation, other cost increases and any applicable competitive rate. All changes to the schedule of fees and charges must be approved by resolution by Board of Trustees.

**Collections of Existing Revenues.** The Town will collect as efficiently as possible the resources to which it is already entitled. The Town will follow a proactive process of collecting and minimizing receivables.

**Enterprise Funds.** The Town of Wellington maintains enterprise funds for water, wastewater and drainage. Utilities function like a business/non-profit – expenditures must be paid by the revenues generated, per the amendment to the State Constitution (the "Amendment") as codified in Article X, Section 20. Revenue sources: Rates paid by current customers, impact fees (capital investment fees) paid by developers and homebuilders, loans and grants.

**Enterprise Fund Limitations.** Enterprise Funds shall only receive up to 10% of the revenue received in the fund from taxpayer transfers, through the General Fund, under the Taxpayer Bill of Rights (TABOR) and must be approved by the Board of Trustees. As a best practice, Enterprise Funds should not be subsidized by the General Fund and should be supported wholly by the fees and charges generated by the Enterprise. General Fund support functions provided to the Enterprise Fund will be handled with a high level of efficiency and respect for those Enterprise Fund missions and personnel and will be reviewed for compliance annually during the budget development process.

**Internal Fund Loans.** Interfund loans must be approved by the Board of Trustees and may be charged interest.

**TABOR.** On November 3, 1992, the Citizens of the State of Colorado approved Amendment 1, also known as the Taxpayers Bill of Rights (TABOR). TABOR specifically and significantly addresses the following issues: spending limitations, operating reserves and debt service.

In November 1994, voters permitted the Town, without increasing or adding any taxes of any kind, to collect, retain or expend revenues generated from all sources during 1994 and each subsequent year for trails, parks, and open space, storm water facilities and drainage, street, curb and sidewalk construction, repair and maintenance, police services, and for other basic municipal services and lawful purposes, without limitation. The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by TABOR.

**Legal Requirements.** The Town will maintain compliance with legal revenue restrictions as identified by voters, for special revenue funds, compliance with State Law, and other restricted revenues.

**Grant Revenues.** The Town will refrain from using grants to meet ongoing service delivery needs. In the Town's financial planning, grants will be treated in the same manner as all other temporary and uncertain resources and will not be used to fund ongoing, basic service needs. When pursuing or applying for grants, the Town should consider and plan for the long-term implications including increased maintenance, operational costs and replacement costs that may be necessary.

## Grants - General

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**Grant Funding.** Funding through grants is encouraged as a means of financing a project or one-time expenditures. Costs associated with grant reimbursements shall be separated into general ledger accounts or groups of accounts as is appropriate according to the specific grantor requirements.

**Conflict of Interest.** No employee or official of the Town shall have any interest, financial or otherwise, direct or indirect, or have any arrangement concerning prospective employment that will, or may be reasonably expected to, bias the design, conduct, or reporting of a grant-funded project on which he or she is working.

It shall be the responsibility of the Finance Department for each grant-funded project to ensure that in the use of sponsored funds, officials or employees of the Town and non-governmental recipients or sub-recipients shall avoid any action that might result in, or create the appearance of:

- A. Using their official position for private gain
- B. Giving preferential treatment to any person or organization
- C. Losing complete independence or impartiality
- D. Making an official decision outside official channels
- E. Affecting adversely public confidence in the grant-funded program and the Town in general

**Grant Identification and Application.** Departments intending to apply for grant funding from a federal, state, local, or private source – or anticipating receipt of such funds – must notify the Finance Department in a timely manner.

As part of the process, staff must complete the internal Grant Submission Form. This form will be reviewed by Town Leadership to determine approval based on the following criteria:

- A. **Timeline:** Sufficient lead time is available to prepare a high-quality application; the more time available, the better.
- B. **Budget Alignment:** The proposed project is included in the current year's approved budget.
- C. **Capital Plan Inclusion:** The project is identified in the Town's 5-Year Capital Improvement Plan (CIP).
- D. **Strategic Consistency:** The project aligns with the goals outlined in the Town's adopted master plan and related planning documents.
- E. **Project Ownership:** A designated staff member has been identified to lead the grant application and oversee grant management.
- F. **Community Support:** There is strong public or stakeholder support for the project.

- G. **Administrative Capacity:** The level of administrative effort required is reasonable given current staff capacity and workload, which can include but is not limited to daily operations staff, engineering, and project management.
- H. **Ongoing Obligation:** Operation and maintenance considerations, impacts, and costs.
- I. **Return on Investment:** Financial health factors, such as grant value, match requirements, and cost/benefit analyses as needed.

**Strategic Alignment.** Applications for grants and financial assistance and their awards shall align with existing Town strategic plan, master plans, and processes. Awards typically support activities in two categories:

- A. **Capital:** Applications and awards for capital should align with the Town's 5-Year Capital Improvement Plan, Strategic Plan, or Masterplans.
- B. **Operating:** Applications and awards for program support should align with other existing plans, or the Town's Strategic Plan.

**Funding and Cost/Benefit Analysis.** Prior to submitting or accepting any grant application, the requesting department should conduct a multi-year cost/benefit analysis that includes:

- A. Required matching funds and whether these are currently available
- B. Administrative and operating costs during and after the grant period
- C. In-kind contributions and overhead recovery
- D. Costs associated with grant reporting, monitoring, audit, and closeout
- E. Risk of Town funding being required beyond the grant period
- F. Cash flow implications, including potential needs for temporary funding via general revenues or short-term borrowing

**Administrative and Operational Support.** To ensure successful implementation and compliance, departments must provide the following:

- A. **Project Plan:** A clear plan for implementing the grant-funded project, identifying tasks, timelines, responsible staff, and key deliverables.
- B. **Staffing and Training:** Staff involved in grant management must receive appropriate training and understand the importance of accurate timekeeping, procurement compliance, and financial tracking.
- C. **Designation of a Grant Lead:** Each grant must have a designated individual responsible for oversight, compliance, and communication with Finance, auditors, and funding agencies.

**Compliance and Monitoring.** The designated grant lead will work with the Town Clerk to ensure record management in accordance with the Town's records policy and grant guidelines. The grant lead will also work with the Finance Department to ensure that grant

expenditures are recorded properly, financial reports are submitted on time, and grant audits are supported. Departments must cooperate fully in all grant-related reviews and must maintain documentation in accordance with federal, state, and Town requirements.

DRAFT

## Grants – Federal

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**Purpose.** This Policy for Federal grants applies to all expenditures of funds received through federal grants, whether those funds come directly from a Federal agency or through an intermediary, known as a “pass-through entity”.

**Policy Statement.** The federal government imposes a set of standards for the acquisition of supplies, equipment and real property purchased with federal funds. Federal grant funds received by the Town must conform to the procurement standards identified in CFR§200.317 through §200.327. Individual federal grants may contain further requirements that are unique to those grants and are in addition to this Policy. It is therefore important for the applicant to work closely with the Finance Department to ensure compliance of each grant.

**Ethics and Conflicts of Interest.** The Town, as a government entity, is required to comply with the regulations under Federal Uniform Grant Guidance (UGG) (2 CFR §200.318(c)(1)), which requires written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts.

- A. **Conflict of Interest – Employee/Officer/Agent** No employee, officer, or agent may participate in the selection, award or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible benefit from a firm considered for a contract. Officers, employees and agents of the Town of Wellington may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts. All business-related gratuities are specifically prohibited except nominally valued, widely distributed items (calendars, pencils, etc.)
- B. **Organizational Conflict of Interest** Organizational conflict of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the Town of Wellington is unable or appears to be unable to be impartial in conducting procurement action involving a related organization.
- C. **Disclosing Potential Conflicts of Interest** Employees, officers and agents are expected to comply with any applicable requirements pertaining to Conflicts of Interest with regards to grant awards. Employees, officers and agents must file a Conflict of Interest Disclosure Statement with the Finance Office before a grant application is filed. If the grant is awarded without an application process, then the disclosure must be completed as soon as possible after notification of the award is received. In the event that a conflict of interest arises after the award has been received, employees, officers and agents must disclose the potential conflicts of

interest in writing to the Finance Department as soon as they become aware of them. The written disclosure will include the name of the person, form or organization with whom the conflict exists, the nature of the conflict of interest, and the date that the conflict status began. Any potential conflicts of interest affecting the awarded funds will be disclosed by the Finance Office to the U.S. Treasury or pass-through entity in accordance with 2 C.F.R. § 200.112.

**General Requirements.** The following requirements are applicable to all procurement transactions regardless of size.

- A. Procurement transactions shall be conducted in a lawful and ethical manner.
- B. Unnecessary/duplicative purchases are not permitted (and are not reimbursable expenses.)
- C. Enter into agreements to share common goods or services with other governmental entities when possible.
- D. Use federal excess or surplus property in lieu of new purchases.
- E. Use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions.
- F. Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the procurement.
- G. Maintain sufficient records to detail the history of procurement, including rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for contract price.
- H. Purchases must remain in aggregate and cannot be separated into multiple increments in order to bypass procurement threshold requirements.

**Competition.** See the Code of Federal Regulations, 2 CFR 200.319 for the most up to date requirements.

**Methods of procurement.** See the Code of Federal Regulations, 2 CFR 200.320

**Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.** See the Code of Federal Regulations, 2 CFR 200.321

**Domestic preferences for procurement.** See the Code of Federal Regulations, 2 CFR 200.322

**Procurement of recovered materials.** See the Code of Federal Regulations, 2 CFR 200.323

**Contract cost and price.** See the Code of Federal Regulations, 2 CFR 200.324

**Federal awarding agency or pass-through entity review.** See the Code of Federal Regulations, 2 CFR 200.325

**Bonding requirements.** See the Code of Federal Regulations, 2 CFR 200.326

**Contract provisions.** See the Code of Federal Regulations, 2 CFR 200.327

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## Operating Expenditures

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**Current Revenues to Pay for Current Expenditures.** Current operating revenues should meet or exceed current operating expenditures. The budget of the Town must identify ongoing resources that strive to match ongoing annual requirements. One-time cash transfers and ending balances in excess of reserves may be applied to reserves or to fund one-time expenditures. They should not be used to fund ongoing programs.

**Personnel Compensation.** The Town strives to always provide excellent service to the community. The Town is committed to offering competitive compensation packages that attract and retain highly qualified staff. The Town's compensation philosophy is based on internal and external considerations; salary ranges and pay structures should be evaluated every two years to determine the relative competitiveness of the pay structure to job market. All proposed merit and cost-of-living (COLA) adjustments require approval by the Board of Trustees during the annual budget development process.

**Maintenance and Replacement of Capital Assets.** Departments should maintain inventories and assess the condition of their buildings, equipment, and vehicles annually. The budget should include multi-year projections for facility and vehicle replacement. The Town will strive to provide sufficient funding for adequate maintenance and orderly replacement of capital assets and equipment.

**Sale of Obsolete or Surplus Item.** Items that have not been used or moved in three years – unless specifically designated for departmental use – will be considered obsolete and may be sold, donated, recycled, or auctioned. All obsolete or surplus item dispositions will be managed by the Finance Department, or its designee. Town employees and their relatives may not be given or transferred any obsolete or surplus items.

Obsolete or surplus items must first be made available for use by other Town departments. Notification will be given to Town Leadership via email, intranet, or other standard methods and items shall remain available for a minimum of five (5) business days. Items not claimed by another Town department may be sold to the original vendor to expediate revenue return and generate savings in Town time and expense.

Available remaining items shall be assigned an estimated fair market value based on condition, age, and other pertinent determining factors. All items under \$50 in estimated fair market value shall be donated to a nonprofit or governmental agency, recycled, or otherwise properly disposed of at minimal expense to the Town.

All other items will be disposed of as follows:

- A. Items between \$50 and \$250 in estimated fair market value:
  - 1. Notification will be given to all Town employees via email, intranet, or other standard method of available item(s).

2. The estimated fair market value is to be posted and is not negotiable.
  3. The item(s) shall remain available for a minimum of five (5) business days.
- B. Items over \$250 in estimated fair market value, or items of lesser value not sold to a Town employee:
1. Town employees and their relatives may not purchase obsolete or surplus items with a fair market value over \$250 outside of a public process.
  2. Items shall be made available to the public through auction or a competitive written bid, at the discretion of the Finance Department, or its designee.
  3. Notice of the sale or bid opportunity will be advertised at least ten (10) days prior to the sale.
  4. All sales shall be documented by the Finance Department, or its designee, to ensure transparency and compliance with Town policy.

**Purchasing.** Goods and services shall be procured in accordance with the Purchasing Policy.

**Lease Purchase and Straight Lease of Capital Items.** Lease purchase will be considered only when the useful life of the item is equal to or greater than the length of the lease. If the item becomes technologically obsolete or is likely to require major repair during the lease purchase period, then the item should either be purchased or placed on a straight lease.

## Capital Improvement Projects (CIP)

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**Purpose.** The five-year CIP budget is prepared and updated annually in the budget development process to account for financial resources that are used for planned construction projects, to acquire major and long-lived capital assets, and for large professional services expenses. These projects are consistent with the Town's long-term goals. CIP projects must cost more than **\$XX,XXX** [*\$10k is current, FAB recommends \$25K, Staff is recommending \$25K, GFOA range is \$15K - \$300K*] and capital assets should have an expected life of greater than **three (3)** years. [*GFOA range is three to five years*]

**Ongoing Operation Impacts.** Resources for both ongoing operations and capital projects are not without limits and the capital planning must work in conjunction with the annual budget development process. After a capital project is completed, the ongoing operation and maintenance appears in the operating budget for years to come and must be considered in the context of overall community needs. The decision to embark on a capital project or purchase capital equipment must be balanced with the demands of existing services.

**Funding Strategies.** The Town will use a variety of different sources to fund capital projects, including the "pay- as-you-go" philosophy, replacement related using fees for service, and capacity related funded by impact fees.

**Budget Carryover.** CIP appropriations are project-based, not strictly bound to the fiscal year in which they are adopted, and may be carried forward into future years if one or more of the following apply:

- A. The project remains active, with contracts in place or expenditures occurring
- B. Material progress has been made on planning, design, permitting, or construction
- C. External dependencies or funding delays (e.g., grant cycles, regulatory review) justify an extension

CIP appropriations shall be encumbered for executed contracts and shall lapse at the end of the fifth fiscal year. The Finance Department should maintain a detailed tracking system for carryover balances and report on carryover status as part of the annual budget process.

CIP appropriations not under contract by the following year's budget development process, and any lapsed projects, may be resubmitted for consideration in a subsequent CIP.

**Project Identification.** CIP submissions shall include a ranking identified by the project manager utilizing the standardized project ranking system outlined below. Each project submission must also include an operating budget impact statement to assess long-term costs and financial implications.

### **Standardized Project Ranking System.**

Priority I: IMPERATIVE: Projects that cannot reasonably be postponed in order to avoid harmful or otherwise undesirable consequences.

- Corrects a condition dangerous to public health or safety
- Satisfies a legal obligation
- Alleviates an emergency service disruption or deficiency
- Prevents irreparable damage to a valuable public facility

Priority II: ESSENTIAL Projects that address clearly demonstrated needs or objectives.

- Rehabilitates or replaces an obsolete public facility or attachment thereto
- Stimulates economic growth and private capital investment
- Reduces future operating and maintenance costs
- Leverages available state or federal funding

Priority III: IMPORTANT: Projects that benefit the community but may be delayed without detrimental effects to basic services.

- Provides a new or expanded level of service
- Promotes intergovernmental cooperation
- Reduces energy consumption
- Enhances cultural or natural resources

Priority IV: DESIRABLE

- Desirable projects that are not included within five-year program because of funding limitations or more competitive project offers.

## Emergency Procurement

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The Town should take necessary steps to ensure preparedness for disasters and emergencies. Mutual aid agreements may be utilized to provide or receive emergency assistance during such events. These agreements are generally established in writing; however, in certain circumstances they may be arranged verbally after a disaster or emergency has occurred.

Notwithstanding any other provision of this policy, the Town Administrator or successor, in consultation with the Mayor or successor, may make, or authorize others to make, emergency procurement when there exists a threat to public health, welfare, public infrastructure, or safety under emergency conditions. A written determination of the basis for emergency and for the purchase or selection of the vendor or contractor shall be included with the purchase documentation (invoice, purchase order, check request, etc.).

If a threat to public health, welfare, public infrastructure, or safety under emergency conditions arises within Public Works and Utilities, the Public Works Director or successor must first attempt to contact the Town Administrator and can authorize emergency procurement within a reasonable amount of time. A written determination of the basis for emergency, the justification for timeline to act, and for the purchase or selection of the vendor or contractor shall be provided to the Town Administrator and Mayor, and shall be included with the purchase documentation (invoice, Purchase Order, check request).

When such an emergency condition arises, such as a natural disaster, that necessitates immediate action to minimize damage and inconvenience resulting from such condition, the Town Administrator or successor, is authorized to enter into emergency contracts not to exceed \$500,000, per contract, without bids or notice. If an emergency contract exceeds this amount, the Mayor or successor must sign an emergency declaration granting authority to execute such emergency contracts. All documentation, including justifications and contracts, must be provided to the Board of Trustees.

## Purchasing

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**Purpose.** This policy is intended to ensure adequate and uniform control of the Town of Wellington's purchasing and payment activities. Principles and policies incorporated into this policy are in accordance with Government Financial Officers Association best practices and applicable State of Colorado Law.

All parties involved in the negotiation, performance or administration of procurement and/or contracts for the Town shall act in good faith. All procurements should be made for the purpose of meeting the Town's current budget goals.

This policy encompasses all purchasing activity conducted on behalf of the Town. Any questions on any purchasing or payments situation should be directed to the Finance Department for assistance.

All purchases shall be made in accordance with the policies prescribed in this policy. Any agreement made contrary to these policies shall not be binding to the Town.

### **Code of Conduct.**

- A. Every person engaged in purchasing for the Town shall act to acquire materials and services at the lowest reasonable price, in the proper quality, to reliably accomplish the service intended.
- B. Officials, employees, or agents of the Town shall not accept money, forbearance, or forgiveness of indebtedness from contractors, vendors, or potential contractors or vendors.
- C. Officials, employees, or agents of the Town shall not accept things of value, including but not limited to gifts, loans, rewards, favors or services, honoraria, travel, entertainment, or special discounts having a fair market value or aggregate actual cost greater than \$75.00 from contractors, vendors, or potential contractors or vendors, in alignment with State of Colorado Independent Ethics Commission current gift ban amount.
- D. No official, employee, or agent of the Town shall participate in any purchasing decision which affects the individual's personal financial interest or the interest of the individual's immediate family or of any corporation, partnership, or association of which the individual is a partner, member, creditor, or stockholder.
- E. No contractor, vendor, or potential contractor or vendor shall bribe, coerce, or attempt to bribe, coerce, or otherwise improperly influence an official, member, employee, or agent of the Town.
- F. Officials, employees, or agents of the Town shall not attempt to circumvent the intent of these purchasing policies by placing multiple orders with a single vendor, or orders on consecutive days, or by other practices that avoid triggering a specific purchasing procedure.

- G. Violations of these purchasing policies shall be examined first by the Town Administrator or the Finance Director, referred to Human Resources to determine appropriate action to be taken, and reported to the Board of Trustees.

**General Provisions/Restrictions.**

- A. No personal purchases shall be made using the Town's funds. Purchasing venues provided within this policy will be utilized only in the interest of the Town.
- B. Only designated Town staff are permitted to purchase utilizing Town funds within Signature Authorization and Purchasing Card limits.
- C. Purchases must be charged to the proper account, regardless of budget availability in the appropriate budget line item.
- D. Alcohol may only be purchased with Town funds with prior approval from the Town Administrator or Finance Director.
- E. Sales tax is not to be charged on any purchase in Colorado. The Town's tax-exempt numbers should be given to the vendor before the sale is completed. The Town's tax-exempt certificate is available from the Finance Department.
  - 1. For out-of-state travel, note that airlines, hotels, and other vendors may not honor the Town's tax-exempt status.
- F. All bid information shall be maintained by the purchasing department. Required bid information shall be attached to the documentation requesting payment by the Finance Department (i.e. Purchase Order, check request, invoice, etc.).
- G. No multi-year financing obligations (including rentals of equipment or space) will be committed without the review and concurrence of the Finance Director and the Town Administrator.
- H. Requests to open merchant charge accounts must be authorized by the Finance Director or the Town Administrator. The process to open the accounts, including completing the credit application and vendor setup, will be administered by the Finance Department.

**Purchasing Thresholds.** The following limits exist to ensure seamless operation of the Town while providing oversight and Board of Trustee approval for large expenditures.

A. Thresholds:

- |                                  |                 |
|----------------------------------|-----------------|
| 1. P-Card Monthly Spending Limit | Up to \$40,000  |
| 2. P-Card Per Transaction Limit  | Up to \$10,000  |
| 3. Signature Authorization       | Up to \$250,000 |
| 4. Emergency Procurement         | up to \$500,000 |

B. Bidding Thresholds:

*\*See Appendix B for guidelines*

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|--------------------------------|------------------------|
| 1. Buyer's best judgement      | up to \$25,000         |
| 2. Two written quotes          | \$25,000 to \$100,000  |
| 3. Three written quotes        | \$100,000 to \$250,000 |
| 4. Sealed competitive bidding* | \$250,000.01 and above |

C. Board of Trustees Approval Thresholds:

1. Non-appropriated (non-budgeted) purchases above \$25,000
2. Appropriated (budgeted) purchases above the Town Administrator's signing authority.
3. All purchases and change orders made in accordance with a Board approved contract and within the appropriated budget do not need further approval.

**Cooperative Purchasing.** By approval of the Town Administrator or designee, the Town may join other governmental bodies, including but not limited to, the State of Colorado and other local governments in making cooperative purchases in the best interest of this Town, notwithstanding other provisions of this Policy.

**Negotiating Price.** Unless specifically stated otherwise within a bid or RFP document, the Project Manager, Superintendent, Department Director or Deputy Director, Finance Director, or Town Administrator may negotiate the price for any given product or service.

**Sole Source.** Occasionally it is necessary to purchase supplies, services or construction items without going to bid, or that only one firm is in a better position to provide. A sole source purchase is a method of acquisition. It is not to be used to avoid competition. Price cannot be used as a factor in determining if a sole source exists because it indicates the existence of a competitive marketplace.

Examples of potential sole source purchases/services include: state bid, engineering or other professional or consulting services, items for resale, matching existing equipment, custom items, paint, prime lumber (except for large quantities), new technology services or equipment, on site repairs (such as heating, air, plumbing, phone) and utilities.

A sole source justification is required for every purchase of \$25,000 or more unless the purchase is being made from an existing contract, the supplier is specifically named in the grant, or the purchase is being competitively solicited.

Sole source purchases shall be subject to the Purchasing Thresholds and Signature Authorization Policies. Written justification of a sole source purchase must be approved by the Finance Director or Town Administrator prior to an order being placed. Written justification and approval shall be attached to the documentation submitted to the Finance Department (Purchase Order, check request, invoice, etc.).

**Sole Source Justification Criteria.** The following list of criteria shall be used in determining if a single or sole source situation exists:

- A. Only one manufacturer makes the item meeting salient specifications; that manufacturer only sells direct/exclusively through one regional/national representative;

- B. Item required must be identical to equipment already in use by the end user, to ensure compatibility of equipment, and that item is only available from one source.
- C. Collaborative project- Supplier is named where the identical equipment is required for compatibility and interoperability.
- D. Maintenance or repair calls by the original equipment manufacturer (OEM) are required for a piece of equipment, and the manufacturer does not have multiple agents to perform these services.
- E. Replacement or spare parts are required from the OEM, and the OEM does not have distributors for those parts.
- F. Patented items or copyrighted materials, which are only available from the patent or copyright holder.
- G. Unique expertise, background in recognized field of endeavor, the result of which may depend primarily on the individual's invention, imagination, or talent. Consultant has advanced or specialized knowledge, or expertise gained over an extensive period of time in a specialized field of experience.

**Note:** An item being a “sole brand” or a “sole manufacturer” does not automatically qualify to be a “sole source”. Many manufacturers sell their products through distributors. Therefore, even if a purchase is identified as a valid “sole brand” or “sole manufacturer”, the requester should verify whether the manufacturer has multiple distributors. If the manufacturer does have multiple distributors, competition should be sought among the distributors.

## Signature Authorization

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Signature authority is granted on an individual basis. A summary of designated staff with signature authority to approve Town expenditures shall be maintained by each department. The Finance Department shall keep a current master Signature Authorization Summary.

Signature authority requests are submitted by Department Directors or Deputy Directors to the Finance Department. Upon review and approval by the Finance Department, the request is sent to the Town Administrator for final approval.

**General Provisions/Restrictions.** Unless signature authorization has been designated and approved, no employee shall sign on behalf of the Town. Signing on behalf of another employee within the same department is only allowed by individual with designated approval limits greater than the employee, the Finance Director, or the Town Administrator. Signing on behalf of another department is only allowed by the Finance Director or Town Administrator.

**See Appendix A for Signature Authorization limits**

## Purchasing Card (P-Card)

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The Purchasing Card (P-Card) program is intended to streamline and simplify the purchasing functions by eliminating waste and low value activities. The P-Card is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for accounting purposes and offers flexible controls to help ensure proper usage. The P-Card program is not intended to avoid or bypass appropriate procurement or payment procedures. Intentional misuse or fraudulent abuse may result in disciplinary action up to and including dismissal and legal action.

The card is issued by First National Bank of Omaha (FNBO). The card has no impact on an individual's personal credit rating although the card lists an individual's name as the card is issued to the Town of Wellington.

A Cardholder Guide is provided to outline issuance requirements, the types of purchases that can and cannot be made, records including transaction receipts, that must be maintained, and reconciled for each cycle, and a variety of other program information. Some minimal record keeping is essential to ensure the successful use of the Purchasing Card. Public funds are committed each time a P-Card is used, a responsibility that should not be taken lightly.

Only employees of the Town of Wellington are eligible to be issued a P-Card. Contractors or temporary employees are not eligible. The cardholder is responsible for the security of their card(s) and the transactions made against the card(s). Each user will be required to sign the Commercial Card Cardholder Agreement. Employees must be authorized by the Department Director or Deputy Director based upon need.

The P-Card is not to be used for personal purchases, alcohol (without prior approval), tobacco, or cash transactions such as money orders or cash advances. Each card has a monthly total limit which will deny further transactions in that month, and each cardholder has a single purchase limit. Under no circumstances should a transaction be split into two separate receipts to bypass this dollar limit.

The following P-Card uses are not authorized:

- A. Purchases with vendors that have merchant charge accounts (i.e. Amazon).
- B. Fuel for personal vehicles. Reimbursement for mileage shall be made on the Travel Authorization Form at the current IRS reimbursement rate.
- C. Fuel for Town vehicles. Fuel Cards are provided for fueling Town-owned vehicles.
- D. Using another employee's P-Card.

**Purchase Documentation.** A receipt is required for all purchases and must be uploaded when reconciling card activity. If the purchase is made via phone, ask the supplier to include the receipt when the product is shipped or to email the confirmation.

**Shipping.** The external shipping label must be to the Town of Wellington building – not a personal address. It is required that all receipts and packing slips are retained.

**Tax.** Sales tax is not to be charged on any purchase in Colorado. The Town's tax-exempt numbers should be given to the merchant before the sale is completed. The Town's tax-exempt certificate is available from the Finance Department. The tax-exempt number is embossed on the purchase card. The cardholder is responsible for ensuring that sales tax is not applied.

**Gratuity.** Tips or gratuity on purchases for services, such as meals, is permitted up to 20%.

**Reconciliation.** The cardholder is required to reconcile transactions monthly, including providing explanations of purchases, assigning account codes, and uploading receipts.

**Resolving Errors and Disputes.** In the case of an error, first contact the merchant and try to reach an agreement. If unable to reach an agreement or the purchase is fraudulent, dispute the charge with FNBO. All disputes must be submitted within 30 days of the transaction date.

**Lost or Stolen Cards.** The P-Card should be secured at all times. If a card is lost or stolen, immediately contact FNBO at 1-800-819-4249 and notify the Finance Department.

**Termination of Employment.** Upon separation of employment with the Town of Wellington, P-Cards must be surrendered to the Finance Department or Human Resources.

**Purchasing Activity Audits.** All card activity is subject to random audits. The random audits are to help ensure adherence to the Program's policies and procedures.

**See Appendix A for P-Card Per Transaction and Monthly Spending limits**

## Travel

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This travel policy applies to all officials, employees or agents of the Town travel for Town-related business and mileage reimbursements.

**Approval.** Travel and related expenses require approval prior to any purchases as follows:

- A. Travel within Colorado outside of the Fort Collins, Loveland, Greeley metro area
  - 1. Without overnight stay – Obtain Department Director or Deputy Director approval; utilize P-Card for necessary purchases
  - 2. With overnight stay – Complete a Travel Pre-Authorization Form in advance and obtain Department Director or Deputy Director approval; utilize P-Card for necessary purchases
- B. Outside of Colorado:
  - 1. Complete a Travel Pre-Authorization Form in advance and obtain Department Director or Town Administrator approval; per diem should be utilized for meal and travel incidental expenses and can be requested in advance (minimum two weeks prior to travel) or after travel; utilize P-Card for all other necessary purchases

**Purchasing Card.** P-Cards should be used whenever possible and practical for lodging, airfare, ground transportation, and parking. For situations where use of the P-Card was not practical or possible, allowable expenses paid by the traveler will be reimbursed. Receipts for reimbursed expenses are required and should be submitted with the reimbursement form and check request. P-Card may only be used for fuel on a Town paid rental vehicle, if necessary.

**Per Diem.** Per diem is allowed for travel requiring an overnight stay at the rates determined by the U.S. General Services Administration. Current rates are available at <https://www.gsa.gov/travel>. The per diem amount should be pro-rated for meals provided by the seminar/conference (if applicable). If actual costs are more than the per diem amount, the employee is responsible for the additional amount. If actual costs are less than the per diem amount, the employee may keep the balance. No receipts are required when using per diem.

**Airfare.** In all cases, but within reason, the most cost effective and efficient manner of travel should be sought. Direct flights shall be considered the standard, even though flights with connections and/or layovers are often less expensive. Only economy or basic airfare shall be considered standard. Additional travel options such as early check-in and in-flight perks are not allowable expenses. In general, the Town will reimburse the cost of one checked bag, however, employees are encouraged to utilize carry-on luggage whenever possible. Situations requiring more than one checked bag, including presentation materials require Department Director or Deputy Director approval.

For out-of-state travel where the employee requests and approval are obtained to use alternative transportation (including train or automobile), the Town may elect to reimburse the employee for only the most cost-effective method of travel. Exceptions require Finance Director or Town Administrator approval.

**Parking.** In all cases, but within reason, costs for parking should be kept to a minimum.

- A. Airport Travel: Airport shuttle is encouraged when possible.
- B. Airport Parking: Employees should use their P-Card for economy parking fees.
- C. Hotel Parking: Self-parking shall be utilized, if available. Valet parking is allowed if it is the only option available. Unless otherwise approved in advance by the Department Director or Deputy Director, the employee shall pay the difference for additional costs of covered parking or valet service when other options are readily available.

**Mileage Reimbursement.** Amount per mile of mileage reimbursement is set at the current Internal Revenue Service's allowable rate per mile. Current rates are available at <https://www.irs.gov/tax-professionals/standard-mileage-rates>.

**Internet Connection Charges.** If internet connectivity is needed for work related purposes while traveling and the hotel and/or conference charges for internet service, contact IT to check out a cellular option, if available. If necessary, the Town will cover the cost of any internet connection charges incurred while traveling when the primary purpose of the connection is work related.

**Compensation for Hours Worked.** Contact Human Resources with any questions regarding compensation for hours worked during travel for non-exempt employees.

**Forms.** All forms are available from the Finance Department and may be updated at the discretion of the Finance Director.

- A. Travel Pre-Authorization Form: used to estimate and accumulate the total cost of the trip; required for travel with an overnight stay
- B. Travel Reimbursement Form: required for any payment of employee-paid expenses related to travel while on Town business that a P-Card could not be utilized, such as mileage or tolls; supporting documentation, including Travel-Pre Authorization Form, receipts, mileage maps, etc., is required
- C. Check Request Form: required for per diem with supporting documentation from U.S. General Services Administration website and all reimbursements of employee-paid expenses with Travel Reimbursement Form and supporting documentation

## **Contracts**

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This policy applies to any contract over \$100,000 that the Town enters into. In general, the Town Administrator or the Mayor shall sign a contract for the Town (contractual authority) that obligates Town funds, although Directors or Deputy Directors may sign contracts within their authorization limits. The Town shall utilize contract templates approved by the Town Attorney or the contract must be reviewed by the Town Attorney prior to signing.

Each department and its personnel are responsible for the planning and successful execution of its projects. A Town Project Manager (or Town contact person) must be designated for each project and specified within the contract. This individual will be accountable for all aspects of proper contract administration surrounding the project in progress.

Contracts signed by the Town Attorney, Town Administrator, or the Mayor shall be provided to the Town Clerk to be attested.

**See Appendix B for Competitive Bidding Guidelines**

**See Appendix C for Independent Contractor Procedures**

## Definitions

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**Accounts Payable.** The function in the Finance Department processing payments for the Town.

**Allocation.** Town of Wellington account number to be charged for the purchase.

**Available Funds:** In governmental accounting under the modified accrual basis, available funds refers to revenues that are measurable and have been collected or are expected to be collected soon enough after the end of the period to pay the liabilities of the current period.

**Bid Package.** Documentation prepared and distributed by the Town in the solicitation of bids.

**Board of Trustees.** The legislative and governing body of the Town.

**Capital Improvement.** A fixed public improvement, including, but not limited to: streets, alleys, sidewalks, water or wastewater facilities, flood control facilities, traffic control devices, street lighting, parks, public structures, and landscaping.

**Capital Improvement Contract.** A Town contract for Capital Improvements.

**Change Order.** A Change Purchase Order is a Purchase Order initiated directing a vendor or contractor to make a change to the original Purchase Order or Contract in either amount, delivery, scope or items purchased.

**Committed Funds:** See “Encumbrance”

**Construction.** The process of building, altering, repairing, improving, or demolishing any public structure or building, or other public improvements of any kind to any public real property or within an appropriate easement.

**Cooperative Purchasing.** Procurement conducted by, or on behalf of, more than one governmental body.

**Department.** A designated unit within the Town that is responsible for providing a particular public service to residents. Departments currently include: Administration, Town Clerk, Finance, Human Resources, Library, Building & Planning, Public Works, Streets & Maintenance, Water, Wastewater, Distribution & Collection, Storm Drainage, Parks and Recreation.

**Depreciable Purchases.** Supplies or tangible property of \$XX,XXX [amount will match CIP amount from page 24] or more.

**Director.** A Town employee reporting to the Town Administrator or Deputy Town Administrator with multiple function accountability and staff. Departments with directors currently include: Town Clerk, Finance, Human Resources, Library, Planning, Public Works, and Parks and Recreation.

**Deputy Director.** The Deputy Director serves directly below the Department Director and may act as the Director's designee in the Director's absence.

**Emergency Conditions.** A situation in which Town operations may be severely hampered or a situation in which the preservation of life, health, safety or property may be at risk as determined by the Town Administrator or successor, in consultation with the Mayor, or successor.

**Encumbrance:** A commitment or reservation of funds for a future expenditure, such as a purchase order or contract, to prevent overspending and ensure budget availability.

**Enterprise Fund:** Government activities that operate like a private business, providing goods or services to the public primarily financed by user fees and charges, with the goal of being self-sustaining by covering their own operating and capital costs.

**Governmental Body.** Any department, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, or other establishment of this Town.

**Intangible Purchases.** Non-physical items of value such as insurance, leases, securities or water rights.

**Invitation for Bids.** All documents, whether attached or incorporated by reference, utilized for soliciting bids.

**Non-Depreciable Purchases.** Services, supplies, and intangible property. Also includes tangible property under \$XX,XXX [amount will match CIP amount from page 24].

**Professional Services.** Services of a specialized nature, including, but not limited to: architecture, engineering, legal, accounting, surveying, land title services, environmental/scientific services, information technology, hiring screening process (drug testing, psych testing, etc.), equipment repair and maintenance, etc. Includes consulting services provided by individuals possessing specialized educational qualifications, practical expertise or professional certification where the final product is predominantly oral or written advice or information.

**Purchase Order.** A request to purchase goods or services typically provided to the vendor as a confirmation of the Town's commitment to purchase.

**Request for Proposals (RFP).** A process used to acquire supplies and services that involve the review of written proposals and the use of negotiations with the most qualified bidder(s). This process may also include the use of a Request for Information (RFI) as a preliminary step to the RFP process in an attempt to gather information and pre-qualify prospective bidders.

**Request for Quotes (RFQ).** A formal process used to request pricing and terms from vendors on clearly defined goods or services, allowing the Town to compare offers and select the best option.

**Services.** The furnishing of labor, time, or effort not involving the delivery of specific end product other than management, reports, recommendations or repairs. No tangible product is provided.

**Signature Authorization Summary.** The list maintained by each department of designated staff authorized to approve Town expenditures. The Finance Department shall keep a current master list of each department's Signature Authorization Summary.

**Tangible Property.** Personal property and materials, including without limitation supplies, equipment, vehicles, parts, printing and consumable supplies

**Town.** The Town of Wellington, Colorado, with a primary business location of 8225 Third Street, P.O. Box 127, Wellington, CO 80549.

**Town Administrator.** Appointed by the Board of Trustees to serve as the chief executive officer of the Town.

**Town Treasurer.** Finance Director appointed by the Board of Trustees to serve as the chief financial officer of the Town.

## Appendix A

### SIGNATURE AUTHORITY, P-CARD PER TRANSACTION, AND P-CARD MONTHLY SPENDING LIMITS

| Department                                                                                                                                        | Role                                          | Signature Authority | Purchasing Card       |                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------|-----------------------|------------------------|
|                                                                                                                                                   |                                               |                     | Per Transaction Limit | Monthly Spending Limit |
| Administration                                                                                                                                    | Town Administrator                            | \$250,000*          | \$10,000              | \$40,000               |
| Administration                                                                                                                                    | Deputy Town Administrator                     | \$200,000*          | \$10,000              | \$30,000               |
| Finance                                                                                                                                           | Director                                      |                     |                       |                        |
| Public Works                                                                                                                                      | Director                                      |                     |                       |                        |
| Administration                                                                                                                                    | Town Clerk, Human Resources Director          | \$100,000*          | \$7,500               | \$15,000               |
| Public Works                                                                                                                                      | Deputy Director                               |                     |                       |                        |
| Building & Planning                                                                                                                               | Director                                      |                     |                       |                        |
| Parks & Recreation                                                                                                                                | Director/Manager                              |                     |                       |                        |
| Library                                                                                                                                           | Director                                      |                     |                       |                        |
| * See Purchasing Policies – Purchasing Thresholds for Bidding and Board of Trustees Approval requirements for Signature Authority over \$25,000 * |                                               |                     |                       |                        |
| Administration                                                                                                                                    | IT Manager                                    | \$25,000            | \$5,000               | \$10,000               |
| Finance                                                                                                                                           | Controller                                    |                     |                       |                        |
| Public Works                                                                                                                                      | Superintendent, Fleet Mechanic, Administrator |                     |                       |                        |
| Building & Planning                                                                                                                               | Building Official                             |                     |                       |                        |
| Administration                                                                                                                                    | Community Business Liaison                    | \$10,000            | \$2,500               | \$5,000                |
| Public Works                                                                                                                                      | Supervisor, Lead                              |                     |                       |                        |
| Parks & Recreation                                                                                                                                | Supervisor                                    |                     |                       |                        |
| Administration                                                                                                                                    | HR Generalist                                 |                     |                       |                        |
| All departments                                                                                                                                   | All roles unless specified                    | N/A                 | \$500                 | \$2,500                |

## Appendix B

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### COMPETITIVE BIDDING GUIDELINES

Competitive bids (formal or informal) are required for dollar limit purchases identified in the Summary of Purchasing Criteria found in this Purchasing Policy. All bid specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the Town's needs and shall not be unduly restrictive so as to limit competition.

Depending on the nature of the product or service, bids are not necessarily awarded based on price alone. In situations where the low bid is not accepted, a written description of the other factors considered and the basis for the award shall be included with the bid information.

For purchases within a Director's or Deputy Director's authorization, bid information shall be maintained by the department. For purchases requiring additional authorization, a summary of the bid information shall be attached to the approval documentation.

**BidNet.** Departments are encouraged, but not required, to maintain bidder's lists. Whenever possible, the Colorado State Price Agreement Listing (State Bid) should be consulted. All formal bids shall be advertised on the Town's web site, and vendors should be encouraged to subscribe to the notification service provided on the site. Public notice may also include publication in the Town's legal newspaper or a newspaper of general circulation.

#### Types of Bids.

- A. **Solicitation Of Quote:** A solicitation is an informal quote obtained from a supplier or contractor in an informal manner (including verbally or electronically). For repetitive purchases, it is not necessary to obtain bids with each purchase. However, a bid process shall be conducted at least once every 2 years.
- B. **Invitation for Bid (IFB):** An IFB is a solicitation of formal bids. A "formal" bid is a solicitation that may require advertising, bonds, and sealed bids. The Director, Deputy Director, or their designee is responsible for the Bid Package and vendor eligibility. The specifications, delivery requirements, plans, drawings, and other items must be determined and finalized prior to the Bid Package being provided. Eligibility may be determined from a pre-qualification process, general advertising of project, or any other method deemed appropriate.
- C. **Requests for Proposal (RFP):** An RFP is a solicitation for goods or services designed for an award based upon criteria other than price alone. It is most often used for items or services that are hard to quantify or describe because it allows the proposer to suggest the item or service that might best suit the Town's needs.

Examples where an RFP may be appropriate include design services, professional services, on-call services, janitorial services and specialized equipment purchases.

The RFP should contain the following as a minimum:

- A. the type of goods or scope of services and where appropriate detailed specifications;
  - B. the required time schedule;
  - C. general requirements;
  - D. conditions and provisions;
  - E. location, date and time for submittal of the proposal;
  - F. evaluation criteria to be used for selection and award;
  - G. reservation of the right to waive formalities or informalities, reject any or all bids, accept proposal deemed most advantageous to the best interest of the Town.
- D. **Pre-Qualification:** The Department Director, Deputy Director, or designee may determine if a pre-qualification (RFQ – REQUEST FOR QUALIFICATION) process is appropriate and determine the criteria. Criteria may include but are not limited to the following: construction experience, experience specific to the work specified, construction track record, government experience, and financial stability. The Department Director, Deputy Director, and/or project manager will review the qualifications and information to determine the acceptability of responding bidders.

**Bid Evaluation.** Bids shall be evaluated based on the requirements set forth in the Bid Package, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. The criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total for life cycle costs. The Bid Package sets forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the Bid Package.

**Affirmative Contracting.** The Town shall follow affirmative steps to assure that small, minority or women-owned business enterprises are used when possible, on grant-funded projects. These steps include the following. (2 CFR 200.321)

- A. Place qualified small, minority and women-owned business enterprises on solicitation lists where solicitation lists exist for the needed goods or services;
- B. Assure that small, minority and women-owned business enterprises are solicited whenever they are potential sources;
- C. Divide or modify work requirements, when reasonable, into smaller tasks or quantities to permit maximum participation by small, minority and women-owned business enterprises;
- D. Establish delivery or performance schedules as appropriate, that will encourage participation by small, minority and women-owned business enterprise;

- E. Use resources such as the Small Business Administration to conduct outreach; and
- F. Require the prime contractor, if subcontracts are used, to take similar affirmative steps to use small, minority or women-owned business enterprises (reference contracts).

**Award.** The contract shall be awarded with reasonable promptness to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the Bid Package, unless the Town Administrator or their designee shall determine that the public interest will be better served by accepting a different bid. When the award is not given to the lowest bidder, a complete statement of the reasons for placing the order with another bidder shall be made available to all bidders upon request.

**Cancellation of Invitation for Bids.** An invitation for bids or any other solicitation may be canceled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interests of the Town. The reasons therefore shall be put in writing and made part of the contract file.

## Appendix C

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### INDEPENDENT CONTRACTOR PROCEDURES

The Town's Director of Human Resources or designee shall make the determination whether an individual is an independent contractor, as compared to an employee, and shall approve any contract arrangements.

An individual is generally considered to be an independent contractor if the employer has the right to control or direct only the result of the work and not the means and methods of accomplishing it. Examples may include a software programmer, recreation instructor and electrician. Compare with the Internal Revenue Code Test ([www.irs.gov/newsroom/understanding-employee-vs-contractor-designation](http://www.irs.gov/newsroom/understanding-employee-vs-contractor-designation)).

The determination needs to be made on a case-by-case basis.

**Procedures.** The procedures outlined herein are set forth to assure conformity of the independent contractor policy. It is the responsibility of the department and its personnel to comply with all provisions set forth with this independent contractor policy.

- A. Steps in contracting with independent contractors include:
  - 1. Identification of need.
  - 2. Determination of status with Director of Human Resources.
  - 3. Negotiation of contract.
  - 4. Professional Service Agreement filed with Human Resources.
  - 5. IRS Form W-9 filed with Accounts Payable.
- B. Once the Director of Human Resources' approval to contract with an independent contractor is received, terms need to be negotiated with that contractor. Each independent contractor must be given a copy of the W-9 and must be made aware of the deadlines for payment processing through Accounts Payable.
- C. A Professional Service Agreement must be completed, signed, and forwarded to Human Resources. Human Resources will obtain the Town Administrator's signature. The original is kept in a file in Accounts Payable, with a copy returned to the originating department, who is responsible to provide the contractor with a copy. IRS Form W-9 must be completed, signed, and forwarded to Accounts Payable. Payment will not be processed unless the W-9 has been received.
- D. The Professional Service Agreement is available in the Finance Department, and should not be modified, unless approved by the Town Administration or designee.

# **Town of Wellington**

## **Purchasing Policy**

**Effective – August 28, 2018**

**Revision – 4/13/2021**

**Most Recent Update – August 23, 2022**

## TABLE OF CONTENTS

|                                            |    |
|--------------------------------------------|----|
| INTRODUCTION.....                          | 1  |
| GENERAL RESTRICTIONS AND GUIDELINES.....   | 2  |
| SUMMARY OF PURCHASING CRITERIA.....        | 6  |
| DEFINITIONS .....                          | 7  |
| SIGNATURE AUTHORIZATION POLICY .....       | 11 |
| TRAVEL POLICY .....                        | 12 |
| PURCHASING CARD POLICY .....               | 18 |
| PURCHASE ORDER POLICY .....                | 22 |
| CHECK REQUEST .....                        | 26 |
| DEBARMENT OR SUSPENSION .....              | 27 |
| COMPETITIVE BIDDING POLICY .....           | 28 |
| CAPITAL IMPROVEMENT CONTRACTS POLICY ..... | 30 |
| INDEPENDENT CONTRACTOR POLICY .....        | 32 |

## **INTRODUCTION**

### **I. General**

This Purchasing Policy is intended to ensure adequate and uniform control of the Town of Wellington's purchasing and payment activities. Principles and policies incorporated into this Policy are in accordance with Government Financial Officers Association best practices and applicable State of Colorado Law.

All parties involved in the negotiation, performance or administration of procurement and/or contracts for the Town shall act in good faith. All procurements should be made for the purpose of meeting the Town's current budget goals.

Information in this policy will be reviewed and updated by the Finance Department as necessary so that the maximum use and benefit may be derived in accordance with its intended purpose. Revisions to the purchasing criteria and bidding procedures will be presented to the Board of Trustees as deemed appropriate.

This Policy encompasses all purchasing activity conducted on behalf of the Town by Town staff. Any questions on any purchasing or payments situation should be directed to the Finance Department for assistance.

### **II. Goals and Objectives**

The fundamental objective of this Purchasing Policy is to provide operating departments within the Town with the goods and services they need in the right quantity and quality, in a timely fashion, as efficiently as possible, and at the lowest overall cost.

Therefore, the goals of this Policy include:

- A. A process streamlined enough to keep pace with new technology and procedures
- B. Adequate controls which are not at the expense of efficiency
- C. A minimum of paperwork
- D. An emphasis on quality and results

### **III. Forms**

All forms associated with this policy are located on the Town's website or available from the Finance Department.

## **GENERAL RESTRICTIONS AND GUIDELINES**

### **I. General**

All purchases shall be made in accordance with the policies prescribed in this Purchasing Policy. Any agreement made contrary to these policies shall not be binding to the Town.

### **II. Code of Conduct**

A. Every person engaged in purchasing for the Town shall act to acquire materials and services at the lowest reasonable price, in the proper quality, to reliably accomplish the service intended.

B. Officials, employees, or agents of the Town shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, vendors, or potential contractors or vendors.

C. No official, employee, or agent of the Town shall participate in any purchasing decision which affects the individual's personal financial interest or the interest of the individual's immediate family or of any corporation, partnership, or association of which the individual is a partner, member, creditor, or stockholder.

D. No contractor, vendor, or potential contractor or vendor shall bribe, coerce, or attempt to bribe, coerce, or otherwise improperly influence an official, member, employee, or agent of the Town.

E. Officials, employees, or agents of the Town shall not attempt to circumvent the intent of these purchasing policies by placing multiple orders with a single vendor, or orders on consecutive days, or by other practices that avoid triggering a specific purchasing procedure.

F. Violations of these purchasing policies shall be examined first by the Town Administrator or the Finance Director, who shall determine appropriate action to be taken and shall report to the Board of Trustees.

### **III. General Provisions/Restrictions**

A. No personal purchases may be made using the Town's funds. Purchasing venues provided within this policy may be utilized only in the interest of the Town.

B. Only Town employees, with supervisor's authorization, may purchase utilizing Town funds.

C. Purchases must be charged to the proper account, regardless of budget availability in the appropriate budget line item.

D. Employees are encouraged to obtain bids from Wellington merchants complying with the Town's Sales and Use Tax Code and who are qualified to provide the requested goods or services. When all award factors are deemed to be equal, the bid shall be awarded to the Wellington merchant.

E. For small purchases not requiring bids, when comparable products or reasonable alternatives are readily available from Wellington merchants complying with the Town's Sales and Use Tax Code, the purchase shall be made from the Wellington merchant.

F. Alcohol may not be purchased with Town funds unless the Town Administrator provides prior approval.

G. Sales tax is not to be charged on any purchase. The Town's tax-exempt numbers should be given to the vendor before the sale is completed. The Town's tax-exempt certificate is available from the Finance Department.

H. When purchases are within the Director or Division Manager's authority, any bid information shall be maintained by the purchasing Department. If additional authorization is required, any required bid information shall be attached to the documentation requiring approval (i.e. Purchase Order, check request).

I. No multi-year financing obligations (including rentals of equipment or space) may be committed without the review and concurrence of the Finance Director and the Town Administrator.

J. A SUMMARY OF PURCHASING CRITERIA table which will be reviewed and modified by the Board of Trustees regularly is included as part of this Purchasing Policy.

K. Requests to open merchant charge accounts will be authorized by the Department Head, the Finance Director and the Town Administrator. The process to open the accounts, including completing the credit application and vendor setup, will be administered by the Finance Department.

#### **IV. Emergency Procurement**

Notwithstanding any other provision of this policy, the Town Administrator or designee may make or authorize others to make emergency procurement when there exists a threat to public health, welfare, or safety under emergency conditions. A written determination of the basis for emergency and for the purchase or selection of the vendor or contractor shall be included with the purchase documentation (invoice, Purchase Order, check request).

#### **V. Sole Source**

A. Occasionally it is necessary to purchase supplies, services or construction items without going to bid, or that only one firm is in a better position to provide. Examples of

potential sole source purchases/services include: state bid, engineering or other professional or consulting services, items for resale, matching existing equipment, custom items, paint, prime lumber (except for large quantities), new technology services or equipment, on site repairs (such as heating, air, plumbing, phone) and utilities.

B. Sole source purchases shall be subject to the dollar thresholds and signature authority and Board of Trustees' approval requirements contained in the Summary of Purchasing Criteria limitations. Written justification and approval for any sole source purchase shall be attached to the documentation submitted to the Finance Department (Purchase Order, contract, approved sole source form or invoice).

**Guidelines:**

- A sole source purchase is a method of acquisition. It is not to be used to avoid competition.
- A sole source justification is required for every purchase over the Direct Buy Limit (\$10,000) unless the purchase is being made from an existing contract, the supplier is specifically named in the grant, or the purchase is being competitively solicited.
- Sole source justifications must be approved by a Procurement Services Buyer prior to an order being placed.
- Price cannot be used as a factor in determining if a sole source exists because it indicates the existence of a competitive marketplace.

**Justification Criteria:**

The following list of criteria may be used in determining if a single or sole source situation exists:

1. Only one manufacturer makes the item meeting salient specifications; that manufacturer only sells direct/exclusively through one regional/national representative;
2. Item required must be identical to equipment already in use by the end user, to ensure compatibility of equipment, and that item is only available from one source.
3. Collaborative project- Supplier is named where the identical equipment is required for compatibility and interoperability.
4. Maintenance or repair calls by the original equipment manufacturer (OEM) are required for a piece of equipment, and the manufacturer does not have multiple agents to perform these services.
5. Replacement or spare parts are required from the OEM, and the OEM does not have distributors for those parts.
6. Patented items or copyrighted materials, which are only available from the patent or copyright holder.

7. Unique expertise, background in recognized field of endeavor, the result of which may depend primarily on the individual's invention, imagination, or talent. Consultant has advanced or specialized knowledge, or expertise gained over an extensive period of time in a specialized field of experience.

**Note:** An item being a “sole brand” or a “sole manufacturer” does not automatically qualify to be a “sole source”. Many manufacturers sell their products through distributors. Therefore, even if a purchase is identified as a valid “sole brand” or “sole manufacturer”, the requester should verify whether the manufacturer has multiple distributors. If the manufacturer does have multiple distributors, competition should be sought among the distributors.

## **VI. Cooperative Purchasing**

On approval of the Town Administrator or designee, the Town may join other governmental bodies, including but not limited to, the State of Colorado and other local governments in making cooperative purchases in the best interest of this Town, notwithstanding other provisions of this Policy.

## **VII. Negotiating Price**

Unless specifically stated otherwise within a bid or RFP document, the Town Administrator, Director or designee may negotiate the price for any given product or service.

## **SUMMARY OF PURCHASING CRITERIA**

### **Thresholds:**

|                          |                                  |
|--------------------------|----------------------------------|
| Purchasing Card (P-Card) | up to \$1,000                    |
| Blanket Purchase Order   | above \$10,000                   |
| Purchase Requisition     | If above individual P-Card limit |

### **Signature Authority Guidelines:**

|                     |                |
|---------------------|----------------|
| Engineers           | up to \$5,000  |
| Assistant Directors | up to \$5,000  |
| Division Managers   | up to \$5,000  |
| Purchasing Agents   | up to \$5,000  |
| Directors           | up to \$25,000 |
| Town Administrator  | up to \$30,000 |

### **Bidding Thresholds:**

|                       |                       |
|-----------------------|-----------------------|
| Buyer's best judgment | \$0 - \$5,000         |
| Two written quotes    | \$5,000.01 - \$25,000 |

#### **Three written quotes:**

|                                                    |                         |
|----------------------------------------------------|-------------------------|
| Services or intangible/tangible property purchases | \$25,000 and above      |
| Capital improvements                               | \$10,000.01 - \$250,000 |

#### **Sealed competitive bidding:**

|                      |                        |
|----------------------|------------------------|
| Capital improvements | \$250,000.01 and above |
|----------------------|------------------------|

### **Board of Trustees approval is required for purchases and contract awards as follows:**

Appropriated (budgeted) items above \$30,000.

Non-Appropriated (non-budgeted) items above \$10,000.

Purchases on Board approved contracts are exempt within the contract amount.

## **DEFINITIONS**

### **Accounts Payable**

The function in the Finance Department processing payments for the Town.

### **Allocation**

Town of Wellington account number to be charged for the purchase.

### **Bid Package**

Documentation prepared and distributed by the Town in the solicitation of bids.

### **Blanket Purchase Order**

A blanket purchase order is a long-term agreement between an organization and a supplier to deliver goods or services with a set price on a recurring basis over a specified time period. Blanket purchase orders should be used:

- Blanket purchase orders should never be written for orders where the price is not guaranteed, the quality of the product is unreliable, or the vendor cannot be trusted.
- When quantities of the same goods or services are needed throughout a time period, typically one year.
- When unit cost can be well-defined and details can be specified.
- When a single vendor is capable of delivering throughout the length of the contract.
- When ordering in quantity facilitates more favorable contract terms, such as bulk discounts.
- When staggered deliveries minimize stocking risk and costs.
- When purchase price is above individual P-Card limits otherwise a purchase requisition is required.

### **Board of Trustees**

The legislative and governing body of the Town.

### **Capital Improvement**

A fixed public improvement, including, but not limited to: streets, alleys, sidewalks, water or wastewater facilities, flood control facilities, traffic control devices, street lighting, parks, public structures, and landscaping.

### **Capital Improvement Contract**

A Town contract for Capital Improvements.

### **Change Order**

A Change Purchase Order is a Purchase Order initiated directing a vendor or contractor to make a change to the original Purchase Order or Contract in either amount, delivery, scope or items purchased.

**Construction**

The process of building, altering, repairing, improving, or demolishing any public structure or building, or other public improvements of any kind to any public real property or within an appropriate easement.

**Consulting Services**

Services provided by individuals possessing specialized educational qualifications, practical expertise or professional certification, including but limited to Consulting Services where the final product is predominantly oral or written advice or information.

**Cooperative Purchasing**

Procurement conducted by, or on behalf of, more than one governmental body.

**Department**

A designated administrative or operating department of the Town. Departments currently include: Town Administration, Finance, Library, Planning, Public Works, Streets, Water, Sewer, Storm Drainage, Parks and Recreation.

**Director**

A Town Employee reporting to the Town Administrator with multiple function accountability and staff. Current Directors are Assistant Town Administrator, Public Works Director, Economic Development Director and Finance Director.

**Division Manager**

A Town Employee reporting to the Town Administrator with single function accountability and staff. Current Division Managers are the Town Planner, Economic Development Director and Director of the Library.

**Emergency Conditions**

A situation in which any department's operations may be severely hampered or a situation in which the preservation of life, health, safety or property may be at risk as determined by the Department Director, Finance Director and the Town Administrator.

**Governmental Body**

Any department, division, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, or other establishment of this Town.

**Intangible Purchases**

Non-physical items of value such as insurance, leases, securities or water rights.

**Invitation for Bids**

All documents, whether attached or incorporated by reference, utilized for soliciting bids.

**Non-Capital Purchases**

Services, supplies, and intangible property. Also includes tangible property under \$5,000.

**Professional Services**

Services of a specialized nature, including, but not limited to: architecture, engineering, legal, accounting, surveying, land title services, environmental/scientific services, information technology, hiring screening process (drug testing, psych testing, etc.), equipment repair and maintenance, etc.

**Purchase Order**

A request to purchase goods or services typically provided to the vendor as a confirmation of the Town's commitment to purchase.

**Purchase Requisition**

The form used to initiate award of Purchase Order or any other type of Sub-award including but not limited to Leases, Construction Contracts, and Consulting Agreements.

**Request for Proposals (RFP)**

A process used to acquire supplies and services that involve the review of written proposals and the use of negotiations with the most qualified bidder(s). This process may also include the use of a Request for Information (RFI) as a preliminary step to the RFP process in an attempt to gather information and pre-qualify prospective bidders.

**Services**

The furnishing of labor, time, or effort not involving the delivery of specific end product other than management, reports, recommendations or repairs. No tangible product is provided.

**Signature Authorization Summary**

The list maintained by each Department and the Finance Department of Departmental designated staff authorized to approve Town expenditures. The Finance Department shall keep a current master list of each Department's Signature Authorization Summary. The list shall include the full signatures of each authorized individual and the amount of signature authorization granted to the individual.

**Sole Source**

Only one supplier (source), to the best of the requester's knowledge and belief, based upon thorough research, (i.e. conducting a market survey), is capable of delivering the required product or service. Similar types of goods and services may exist, but only one supplier, for reasons of expertise, and/or standardization, quality, compatibility with existing equipment, specifications, or availability, is the only source that is acceptable to meet a specific need.

**Tangible Property**

Personal property and materials, including without limitation supplies, equipment, vehicles, parts, printing and consumable supplies

**Town**

The Town of Wellington, Colorado, with a primary business location of 3735 Cleveland Avenue, P.O. Box 127, Wellington, CO 80549.

**Town Administrator**

The Town Administrator who serves as the chief executive officer of the Town.

**Wellington Merchant**

A business having a permanent physical location within the limits of the Town of Wellington.

## **SIGNATURE AUTHORIZATION POLICY**

### **I. General**

Signature authority is granted on an individual basis. All signature authority is approved by the Town Administrator after review and approval by the delegating Director or Division Manager and the Finance Director.

### **II. Procedures**

- A. A confirmed Signature Authorization shall be submitted to the Finance Department upon initial request.
- B. The Finance Department shall be responsible for deleting signature authority for terminated employees. Should authority need to be added or modified, the applicable Department shall be responsible for notifying the Finance Department.
- C. All changes and additions to the Signature Authorization must be submitted in writing and must include the following information:
  - Name of employee
  - Title
  - Authorization amount
  - Effective Date
  - Employee signature and initials
  - Signature of Employee delegating authorization
- D. Unless signature authorization has been delegated, no employee shall sign on behalf of another otherwise authorized employee. Written notification of delegation must be sent to Finance by the delegating employee with amounts.

## **TRAVEL POLICY**

### **I. General**

This travel policy applies to all officials, employees or agents of the Town travel for Town-related business and mileage reimbursements.

### **II. Approval Required**

Employees shall obtain approval for travel on Town business as follows:

- A. Travel within Colorado with no overnight stay: For travel within the State of Colorado, but outside the Fort Collins Metro Area, not requiring an overnight stay, employees should obtain authorization from the employee's supervisor, whenever possible. Employees should utilize Purchasing Cards where possible for necessary purchases (excluding fuel and meals).
- B. Travel within Colorado where overnight stay required: For travel requiring an overnight stay within the State of Colorado, Department Head authorization and a completed Travel Authorization Form is required in advance of travel. In the rare instance where it is not practical to complete the Travel Authorization Form in advance of travel, written approval is required (e.g. email or memo). A Travel Authorization Form shall be completed upon return from travel.
- C. Travel outside the State of Colorado: For all out-of-state travel, Town Administrator approval and a completed Travel Authorization Form is required in advance of travel.

### **III. Travel Authorization Form**

- A. The purpose of the Travel Authorization Form is to estimate and accumulate the total cost of the trip.
- B. The Travel Authorization Form shall be filled out completely, approved in accordance with the procedures established above, and turned in to the Finance Department. The form will be used to generate any reimbursement(s).

### **IV. Receipts**

Receipts for purchases that require reimbursement should be turned into the Finance Department for approval, referencing the previously approved Travel Authorization Form.

**V. Purchasing Card**

- A. Purchasing Cards should be used whenever possible and practical for lodging, airfare, ground transportation, and tolls, excluding meals and fuel.
- B. For situations where use of the Purchasing Card was not practical or possible, allowable expenses paid by the traveler will be reimbursed.
- C. For out-of-state travel, note that airlines, hotels, and other vendors may not honor the Town's tax-exempt status.

**VI. Airfare**

- A. In all cases, but within reason, the most cost effective and efficient manner of travel should be sought. Direct flights shall be considered the standard, even though flights with connections and/or layovers are often less expensive. In general, the Town will reimburse the cost of one checked bag, however, employees are encouraged to utilize carry-on luggage whenever possible. Situations requiring more than one checked bag, including presentation materials require Director or Town Administrator approval.
- B. For out-of-state travel where the employee requests and approval are obtained to use alternative transportation (including train or automobile), the Town may elect to reimburse the employee for only the most cost-effective method of travel. Exceptions require Finance Director or Town Administrator approval.

**VII. Parking/Airport Parking/Airport Travel**

In all cases, but within reason, costs for parking should be kept to a minimum.

- A. Hotel Parking: Self-parking shall be utilized, if available. Valet parking is allowed if it is the only option available. Unless otherwise approved by the Director or Town Administrator the employee shall pay the difference for additional costs of covered parking or valet service when other options are readily available.
- B. Airport Parking: Employees should use their P-card for economy parking fees.
- C. Airport Travel: Airport shuttle is encouraged when possible.

### **VIII. Mileage Reimbursement**

Amount per mile of mileage reimbursement is set at the current Internal Revenue Service's allowable rate per mile. Please contact the Finance Department for the current allowable rate or current rates are available at <https://www.irs.gov/tax-professionals/standard-mileage-rates>.

### **IX. Per Diem**

Meal Per Diem: A meal per diem is allowed for travel requiring an overnight stay. Contact the Finance Department or check online (<https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup>) to determine the rate allowable for the Town where you are traveling. The per diem amount should be pro-rated for partial travel days and meals provided by the seminar/conference (if applicable). If actual costs are more than the per diem amount, the employee is responsible for the additional amount. If actual costs are less than the per diem amount, the employee may keep the balance. No receipts are required when using per diem.

### **X. Compensation for Hours Worked**

Contact Human Resources with any questions regarding compensation for hours worked during travel for non-exempt employees.

### **XI. Internet Connection Charges**

If internet connectivity is needed for work related purposes while traveling and the hotel and/or conference charges for internet service, contact IT to check out a cellular USB stick if one is available. If necessary, the Town will cover the cost of any Internet connection charges incurred while traveling when the primary purpose of the connection is work related.

## Travel Pre-Authorization Form

Employee Name: \_\_\_\_\_

Title: \_\_\_\_\_ Department: \_\_\_\_\_

Departure Date: \_\_\_\_\_ Return Date: \_\_\_\_\_

Training Location: \_\_\_\_\_

Training Description: \_\_\_\_\_

Registration Fee: \_\_\_\_\_

Total Nights of Lodging: \_\_\_\_\_ Cost per Day: \_\_\_\_\_

Total Days of Rental Car: \_\_\_\_\_ Cost per Day: \_\_\_\_\_

Airfare Cost (Round Trip): \_\_\_\_\_

Ground Transportation Fee: \_\_\_\_\_

Parking Fee per Day: \_\_\_\_\_ Total Days: \_\_\_\_\_

Estimated Mileage (.58 per mile): \_\_\_\_\_ Total Miles Round Trip: \_\_\_\_\_

Estimated Amount for Tolls: \_\_\_\_\_

Estimated Per Diem Total (see Per Diem link on page 2): \_\_\_\_\_

Estimated Grand Total: \_\_\_\_\_

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Manager Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*\*Town Administrator Signature Required for all out of state travel.*

Town Administrator Signature: \_\_\_\_\_

## Travel Pre-Authorization Form (Page 2)

**Notes:**

P-Cards are NOT allowed for gas/food purchases.

Each employee who has an overnight stay will receive per Diem.

Itemized receipts are needed. Please turn in all receipts with reimbursement form.

Mileage Rates: <https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2019>

Per Diem Rates: <https://www.gsa.gov/travel/plan-book/per-diem-rates>

## Travel Reimbursement Form

Employee Name: \_\_\_\_\_

Title: \_\_\_\_\_ Department: \_\_\_\_\_

Departure Date: \_\_\_\_\_ Return Date: \_\_\_\_\_

Training Location: \_\_\_\_\_

Training Description: \_\_\_\_\_

Total Mileage (.58 per mile): \_\_\_\_\_ Total Miles Round Trip: \_\_\_\_\_

Total Amount for Tolls: \_\_\_\_\_

Did the Hotel/Conference provide meals? If so, please provide what dates and if it was breakfast/lunch/dinner. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Manager Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### Notes:

P-Cards/Travel Cards are NOT allowed for gas/food purchases.

Each employee who has an overnight stay will receive per Diem.

Mileage Rates: <https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2019>

Per Diem Rates: <https://www.gsa.gov/travel/plan-book/per-diem-rates>

Finance Department Only:

Total Mileage: \_\_\_\_\_

First Day Per Diem: \_\_\_\_\_

Last Day Per Diem: \_\_\_\_\_

Full Day Per Diem: \_\_\_\_\_

Total Reimbursement: \_\_\_\_\_

## **PURCHASING CARD POLICY**

### **Overview**

The Purchasing Card program is intended to streamline and simplify the Purchasing and Accounts Payable functions by eliminating waste and low value activities. The Purchasing Card is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for accounting purposes and offers flexible controls to help ensure proper usage. Because the Town receives an annual rebate based on the dollar volume of purchases made through the Purchasing Card Program, P-Cards shall be used whenever possible and practical when procuring goods and services on behalf of the Town.

The Purchasing Card Program is designed as an alternative to a variety of processes including petty cash, check requests and low dollar purchase orders. The Purchasing Card Program is not intended to avoid or bypass appropriate procurement or payment procedures. Rather, the Program complements the existing processes available. The card is a credit card that is issued by First National Bank of Omaha (FNBO). Some minimal record keeping is essential to ensure the successful use of the Purchasing Card. This is not an extraordinary requirement; standard payment policies require retention of receipts, etc.

This Cardholder Guide provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and a variety of other program information.

**You are committing public funds each time you use your Purchasing Card.** This is a responsibility that should not be taken lightly. Remember that you are the person responsible for all charges made to the card which has been issued to you. Intentional misuse or fraudulent abuse may result in disciplinary action up to and including dismissal and legal action.

The card will have no impact on your personal credit rating. Although the card lists an individual's name, the card is issued to the Town of Wellington.

### **Obtaining A Card**

After you have read this Cardholder Guide and understand the procedures outlined, you must sign the **Purchasing Card Program Cardholder Agreement Form**.

Only employees of the Town of Wellington are eligible to receive a Purchasing Card. Contractors or temporary employees are not eligible. The cardholder is responsible for the security of their card(s) and the transactions made against the card(s). Each user will be required to sign the Commercial Card Cardholder Agreement as part of the Commercial Card application. Employees must be authorized by the Supervisor and Director based upon both the need for a Purchasing Card and the signature limits. Authorization levels are documented and approved on the Signature Authorization Form.

When you receive your Purchasing Card, immediately sign the back of the card and always keep it in a secure place. Although each card is issued in your name, it is the property of the Town of Wellington and is only to be used for Town purchases as defined in this guide.

## Commercial Card Restrictions

The Commercial Card is not to be used for personal purchases, alcohol, tobacco, or cash transactions such as money orders or cash advances. Each card has a monthly total limit which will deny further transactions in that month.

Under no circumstances should a transaction be split into two separate receipts to bypass this dollar limit. This amount is determined by your supervisor, the Finance Director and the Town Administrator. If for some reason it becomes necessary to increase the limit, a change form can be processed by the Program Administrator with written approval of your supervisor, the Finance Director and the Town Administrator.

The following P-Card uses are not authorized:

- Purchases over your signature authority limit. Dividing an order to satisfy this limit is not allowed.
- Fuel for personal vehicles. Reimbursement for mileage shall be made on the Travel Authorization Form at the current IRS reimbursement rate.
- Fuel for Town Vehicles. Fuel Cards are provided for fueling Town owned vehicles.
- Using another employee's P-Card. An employee may not use another employee's P-Card to make a purchase, regardless of whether or not they have been authorized to make P-Card purchases.

## Using your Card

**You must have a receipt of all items purchased.**

If the purchase is via phone or fax, ask the supplier to include the receipt with the goods when the product is shipped to you or email the confirmation to you. **This receipt is the only original documentation.** Your name and "Card" must appear on the packing slip and external shipping label. The external shipping label must be to the Town of Wellington building – not your home. The supplier will require your Purchase Card number, expiration date and the "ship to" address. It is important that your name and "Card" appear on the invoice. Companies that are frequently used by the Town already have the Town of Wellington Accounts Payable Department in their contact information and will likely forward the invoice there. AP will forward to you – if your name and Card appear on the face of the invoice; if it does not, the department will have not the necessary information as to where to direct the invoice when it arrives.

**It is required that you retain all receipts/packing slips for your purchases.**

## Tax

The Town purchasing policy states that Colorado sales tax should not be paid on purchases. Contact the Accounts Payable (AP) department if you have questions about which purchases are subject to tax. To assure that taxes are not applied to your purchases, state to the supplier/vendor that the Town of Wellington is tax-exempt. The tax I.D. number is embossed on the purchase card. A tax-exempt certificate, issued by the State of Colorado, can be obtained from the AP department for documentation if necessary. The card user is responsible for ensuring that sales tax is not applied. If sales tax is charged you agree to reimburse the Town for the cost of the sales tax within 10 calendar days. If reimbursement is

not received, you agree by signing the Cardholder Agreement to a payroll reduction for the amount of the sales tax charged.

### **Reconciling Your Account**

At a minimum of twice per month, the cardholder must log into the FNBO system to approve their transactions, provide an explanation of the purchase and assign an account code. A printout of the Transaction Summary page must be signed as proof of reconciliation. Then it must be attached to your receipts and sent to your supervisor for final approval. Each account must be reconciled and sent to your supervisor by the 10<sup>th</sup> of the subsequent month.

### **Resolving Errors and Disputes**

In the case of an error, first contact the supplier and try to reach an agreement. Most disputes can be resolved between you and the supplier directly. If you are unable to reach an agreement with the supplier you may dispute the charge using FNBO's dispute form that is located on the Transaction Detail page. All disputes must be submitted within 30 days of the transaction date.

### **Paying the Bill**

The Purchase Card is a Town payment arrangement. Account balances will be paid in full each month by a direct charge to the Town of Wellington bank account. Your purchases will be charged directly to the account code that you select during the reconciliation process.

### **Lost or Stolen Cards**

The Purchase Card should be secured, just as you would secure your personal credit cards. If your card is lost or stolen, immediately contact FNBO at 1-800-819-4249 and then notify your Program Administrator.

### **Refusal of Card or Account**

Should you be declined at the point of sale for any reason, please contact your Program Administrator.

### **Departmental Changes**

If you resign your position, you are required to immediately return your card to Town Hall.

### **Purchase Card Audit Activity**

Your card activity is subject to random audits. The random audits are to help ensure adherence to the Program's policies and procedures.

## PURCHASING CARD PROGRAM CARDHOLDER AGREEMENT

By participating in the Town of Wellington Purchasing Card Program as a Cardholder, you assume responsibilities pertaining to the operation and administration of the Purchasing Card Program. These responsibilities include but are not limited to the following:

1. The Town of Wellington Purchasing Card is to be used for Town of Wellington business expenditures only. The Purchasing Card may only be used under the parameters and procedures established for the Purchasing Card Program which are detailed in the Purchasing Card Policies and Procedures. The Town of Wellington Purchasing Card **may not** be used for any personal purchases or cash transactions.
2. The Purchasing Card will be issued in your name. By accepting the Card, you assume responsibility for the Card and will be responsible for all charges made with the Card. The Card is not transferable and may not be used by anyone other than you, the Cardholder.
3. The Town of Wellington Purchasing Card must be maintained with the highest level of security. If the Card is lost or stolen, or if you suspect the Card or Account Number has been compromised, you agree to immediately notify the bank and the Town of Wellington Purchasing Card Program Administrator.
4. All charges will be billed and paid directly by the Town of Wellington. While you are not responsible for making payments, you are responsible for the verification and reconciliation of all account activity. If you do not follow the procedures, your card and cardholder privileges will be revoked.
5. Cardholder Accounts are subject to periodic internal control review and audits designed to protect the interests of the Town of Wellington. By accepting the Card, you agree to comply with these reviews and audits.
6. Parameters and procedures related to the Purchasing Card Program may be updated or changed at any time. The Town of Wellington will promptly notify you of these changes.

You agree to surrender and cease use of the Card upon termination of employment. You may also be asked to surrender the Card at any time deemed necessary by the Town of Wellington. Misuse or fraudulent use of the Card may result in disciplinary actions and may be grounds for dismissal, civil and criminal legal action.

### ***Employee Acknowledgement:***

By signing below, I acknowledge that I have read both the Purchasing Policy and the Cardholder Agreement and agree to the terms and conditions of these documents. I certify that as a participating Cardholder of the Town of Wellington Purchasing Card Program, I understand and assume the responsibilities listed above.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Date

## **PURCHASE ORDER POLICY**

### **I. General**

A Purchase Order is required to purchase goods or services of \$10,000 or more. The term Purchase Order is used generically throughout this policy to include all service/maintenance agreements, construction agreements and any other types of agreements in excess of \$10,000.

**All Purchase Orders shall have all necessary approvals before the requested goods or services are received and Town funds obligated. The need for a Purchase Order may be waived only with the approval of the Finance Director or Town Administrator.**

### **II. Objectives**

The primary reasons for issuing a Purchase Order are as follows:

- 1) To facilitate prior approval for large dollar purchases
- 2) To ensure adequate funds and to encumber funds on the accounting system
- 3) To ensure adequate product specification for vendors
- 4) To facilitate vendor requirements.

### **III. Procedures**

- A. A Purchase Order over \$10,000 is initiated by a Purchase Requisition. At the time of Capital Improvement Contract Award, or prior to the purchase of goods or services that total \$10,000 or more, a Purchase Requisition must be completed, authorized and submitted to the Finance Department.
  1. All Purchase Requisitions must include the following:
    - a. Requisition Date
    - b. Item to be purchased (including item #, quantity, description)
    - c. Account number to be charged
    - d. Amount - projected cost of purchase
    - e. Authorized signature
    - f. Informal or formal bid documentation should be attached to request over \$10,000.
  2. Should a vendor require a Purchase Order for an item less than \$10,000 and purchase exceeds the P-card limit, a Purchase Requisition may be submitted, and a Purchase Order will be generated.
- B. All purchase requisitions will be entered by the requesting department. Once the requisitions are approved, they are then delivered to the finance department and a purchase order will be generated.
- C. Once the Purchase Requisition has been entered, a copy of the Purchase Order will be printed for the requester. Should additional copies be required, the Finance Department can

print additional copies. The original purchase requisition containing adequate authorization shall be retained by the Finance Department for audit and internal control purposes.

- D. If the Department needs to modify the original Purchase Order, a Change Purchase Order (Change Order) should be sent to the Finance Department. All Change Orders should reference the Purchase Order number which they are modifying. Once received by the Finance Department, the Purchase Order will be modified on the system.
1. If the Change Order does not modify the dollar amount of the purchase and does not significantly change the purpose of the original order, no additional authorization is required.
  2. If the Change Order increases the dollar amount above the signature authority threshold of the original requester, additional authorization will be required.
  3. Freight charges can be difficult to estimate, and actual shipping costs may exceed estimated amount on the purchase order. This would not cause additional authorization.
  3. If the Change Order modifies the account number, no additional authorization is required if the original signer(s) had signature authority for the account to be charged.
  4. If the Board of Trustees approved the original contract or Purchase Order and the Change Order, or the cumulative amount of multiple Change Orders the Board of Trustees shall approve the Change Order(s).
    - a. If the nature of the Change Order is such that: the project involves infrastructure that cannot be put back into service otherwise, or that stopping the project awaiting Board of Trustees approval would cause significant cost increases, the Town Administrator may authorize the Change Order. Town Board of Trustees shall be informed no later than the next Trustee meeting.
- E. All invoices if mailed should be directed to:  
Town of Wellington  
Attention: Accounts Payable  
PO Box 127  
Wellington, CO 80549  
E-mail: [APinvoices@wellingtoncolorado.gov](mailto:APinvoices@wellingtoncolorado.gov)
- F. If, upon receipt of goods or services, the vendor provides an invoice for the item purchased, the requester or other receiving employee should sign the invoice, indicating receipt of goods or services, and return the invoice to Accounts Payable. No additional approvals are required at the time, only verification of receipt of goods.

- G. If the invoice you are forwarding to Accounts Payable represents the final receipt on a Purchase Order, the signer should indicate final payment so any remaining balance on the Purchase Order may be unencumbered.
- H. If the goods or services received are in different quantities or types from the Purchase Order, and additional goods or services are forthcoming, the balances of the Purchase Order will remain encumbered until indication of final receipt is forwarded to Accounts Payable.



## Purchase Order Change Form

Purchase Order Number: \_\_\_\_\_ Original Purchase Order Date: \_\_\_\_\_

Original Purchase Order Total: \_\_\_\_\_ Requisition Number: \_\_\_\_\_

Vendor Name: \_\_\_\_\_ Vendor Number: \_\_\_\_\_

Department: \_\_\_\_\_

Reason for Change: \_\_\_\_\_

Type of Change (Please check one):

\_\_\_\_ Change Account Number

Is this for all line items? Yes / No If no, specify line number: \_\_\_\_\_

Original GL Number: \_\_\_\_\_

Revised GL Number: \_\_\_\_\_

\_\_\_\_ Increase Purchase Order

Quantity: \_\_\_\_\_ Amount: \_\_\_\_\_

Line Numbers: \_\_\_\_\_

\_\_\_\_ Cancel Purchase Order

Total Amount to be Cancelled: \_\_\_\_\_

\_\_\_\_ Cancel Purchase Order Line(s)

Amount: \_\_\_\_\_ Line Numbers: \_\_\_\_\_

If this is a change to a contract, please indicate the Board Approval date: \_\_\_\_\_

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Finance Approval: \_\_\_\_\_ Date: \_\_\_\_\_

## CHECK REQUEST

### **I. General**

A Check Request is a non-Purchase Order payment that does not meet the criteria of the Purchasing Card. Checks will be issued during normal accounts payable schedules which are generally every two weeks. This time may be adjusted for holidays or other scheduling changes. Out of cycle check requests must meet the definition of emergency conditions because of the additional expense and workflow disruption to create out of cycle check runs.

### **II. Procedures**

- A. If the desired purchase is above individual's P-card limit, a purchase requisition is required.
- B. Appropriate Bidding Procedures should be followed and attached to the check request as applicable.
- C. The original vendor's invoice must be turned into Accounts Payable with the following information readily identified:
  - 1. Purchase Order #
  - 2. Vendor Number
  - 3. Dollar Amount
  - 4. Account Number
  - 5. Description
  - 6. Authorized By
  - 7. Approval Date
- D. There are certain vendors that the Town remits payment from statements rather than individual invoices. Examples are phone and utility companies, and hardware and parts stores. In these situations, invoices/receipts shall be forwarded to Accounts Payable within three business days of the purchase and shall include, at a minimum, the information required in Section II. C. 3-7 above.
- E. Check requests should be submitted to Accounts Payable in sufficient time to allow payments to be made by vendor due dates. Any finance charges incurred from delinquent payments will be charged to the responsible Department.

## **DEBARMENT OR SUSPENSION**

### **I. General**

The Town Administrator is authorized to debar or suspend a vendor or contractor for cause.

### **II. Guidelines**

- A. No vendor or contractor shall be debarred or suspended until an opinion regarding the same has been obtained from the Town Attorney and until procedures recommended by the Town Attorney have been followed.
- B. The period for debarment shall be determined by the Town Administrator on a case by case basis.
- C. Reasons for debarment or suspension include but may not be limited to the following:
  - 1. Commission of fraud or a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract or in the performance of such a contract or subcontract.
  - 2. Conviction or indictment under a state or federal statute of embezzlement, theft, forgery, bribery, falsification, or destruction of records, or receiving stolen property.
  - 3. Conviction or indictment under a state or federal antitrust statute.
  - 4. Failure or default without good cause to perform in accordance with the terms of any contract or unsatisfactory performance of any contract.
  - 5. Debarment, disqualification or suspension by another government entity for any reason.

### **III. Verification of SAM.gov Exclusion Status of Contractors**

- A. To protect the public interest, the Town ensures the integrity of programs by conducting business only with responsible persons.
- B. Town staff shall check the Governmentwide System for Award Management Exclusions (SAM Exclusions) to determine whether a person is excluded. The General Services Administration (GSA) maintains the SAM Exclusions. When a Federal agency takes an action to exclude a person under the nonprocurement or procurement debarment and suspension system, the agency enters the information about the excluded person into the SAM Exclusions.
- C. Town staff will verify on SAM.gov for the "Exclusion" status of all contractors and will keep a documented record of such findings.

## **COMPETITIVE BIDDING POLICY**

### **I. General**

Competitive bids (formal or informal) are required for dollar limit purchases identified in the Summary of Purchasing Criteria found on page 5 of this Purchasing Policy. All bid specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the Town's needs and shall not be unduly restrictive so as to limit competition.

Depending on the nature of the product or service, bids are not necessarily awarded based on price alone. In situations where the low bid is not accepted, a written description of the other factors considered and the basis for the award shall be included with the bid information.

For purchases within the Director's authorization, bid information shall be maintained by the Department. For purchases requiring additional authorization, a summary of the bid information shall be attached to the documentation requiring approval.

### **II. Bidder's List**

Departments are encouraged, but not required, to maintain bidder's lists. Whenever possible, the Colorado State Price Agreement Listing (State Bid) should be consulted. All formal bids shall be advertised on the Town's web site, and vendors should be encouraged to subscribe to the notification service provided on the site. Public notice may also include publication in the Town's legal newspaper or a newspaper of general circulation.

### **III. Types of Bids**

- A. SOLICITATION OF QUOTE: A SOLICITATION is an informal quote obtained from a supplier or contractor in an informal manner (including verbally or electronically). For repetitive purchases, it is not necessary to obtain bids with each purchase. However, a bid process shall be conducted at least once every 2 years.
- B. INVITATION FOR BID (IFB): An IFB is a solicitation of formal bids. A "formal" bid is a solicitation that may require advertising, bonds, and sealed bids. The Director or designee is responsible for the Bid Package and vendor eligibility. The specifications, delivery requirements, plans, drawings, and other items must be determined and finalized prior to the Bid Package being provided. Eligibility may be determined from a pre-qualification process, general advertising of project, or any other method deemed appropriate.
- C. REQUESTS FOR PROPOSAL (RFP): An RFP is a solicitation for goods or services designed for an award based upon criteria other than price alone. It is most often used for items or services that are hard to quantify or describe because it allows the proposer to suggest the item or service that might best suit the Town's needs. Examples where an RFP may be appropriate include design services, professional services, janitorial services and specialized equipment purchases. The RFP should contain the following as a minimum: 1) the type of goods or scope of services and where appropriate detailed specifications; 2) the required time

schedule; 3) general requirements; 4) conditions and provisions; 5) location, date and time for submittal of the proposal; 6) evaluation criteria to be used for selection and award; 7) reservation of the right to waive formalities or informalities, reject any or all bids, accept proposal deemed most advantageous to the best interest of the Town.

- D. **PRE-QUALIFICATION:** The Department Head or designee may determine if a pre-qualification (RFQ – REQUEST FOR QUALIFICATION) process is appropriate and determine the criteria. Criteria may include but are not limited to the following: construction experience, experience specific to the work specified, construction track record, government experience, and financial stability. The Department Head and/or project manager will review the qualifications and information to determine the acceptability of responding bidders.

#### **IV. Bid Evaluation**

Bids shall be evaluated based on the requirements set forth in the Bid Package, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. The criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total for life cycle costs. The Bid Package sets forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the Bid Package.

#### **VIII. Affirmative Contracting**

The Town shall follow affirmative steps to assure that small, minority or women-owned business enterprises are used when possible, on grant-funded projects. These steps include the following. (2 CFR 200.321)

- i. Place qualified small, minority and women-owned business enterprises on solicitation lists where solicitation lists exist for the needed goods or services;
- ii. Assure that small, minority and women-owned business enterprises are solicited whenever they are potential sources;
- iii. Divide or modify work requirements, when reasonable, into smaller tasks or quantities to permit maximum participation by small, minority and women-owned business enterprises;
- iv. Establish delivery or performance schedules as appropriate, that will encourage participation by small, minority and women-owned business enterprise;
- v. Use resources such as the Small Business Administration to conduct outreach; and
- vi. Require the prime contractor, if subcontracts are used, to take similar affirmative steps to use small, minority or women-owned business enterprises (reference contracts).

## **V. Award**

The contract shall be awarded with reasonable promptness to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the Bid Package, unless the Town Administrator or his designee shall determine that the public interest will be better served by accepting a different bid. When the award is not given to the lowest bidder, a complete statement of the reasons for placing the order with another bidder shall be made available to all bidders upon request.

## **VI. Cancellation of Invitation for Bids**

An invitation for bids or any other solicitation may be canceled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interests of the Town. The reasons therefore shall be put in writing and made part of the contract file.

## **CAPITAL IMPROVEMENT CONTRACTS POLICY**

### **I. General**

The Capital Improvement Contracts Policy applies to any Capital Improvement Contract that the Town enters into. In general, the Town Administrator or the Mayor shall sign a contract for the Town (contractual authority) that obligates Town funds, although Directors or designees may sign contracts within their authorization limits. A Town Project Manager (or Town contact person) MUST be designated for each Capital Improvement project and specified within the contract. This individual will be accountable for all aspects of proper contract administration surrounding the construction in progress.

Refer also to the Competitive Bidding Policy for information on the bidding process.

Each Department and its personnel are responsible for the effective planning for its Capital Improvement projects.

### **II. Contract Performance and Payment Bonds**

- A. When a capital improvement contract is awarded, unless the Town Administrator or designee deems otherwise, the following bonds or security shall be delivered to the Town and shall become binding on the parties upon the execution of the contract:
  - 1. Bid security in an amount equal to five (5) percent of the total amount of bid shall be required for all competitive sealed bidding for Capital Improvement Contracts. Bid security shall be a bond provided by a surety company authorized to do business in this state, or the equivalent in certified funds, or otherwise supplied in a form satisfactory to the Town.

When the invitation for bid requires security, noncompliance requires that the bid be rejected.

2. A performance bond, satisfactory to the Town, executed by a surety company authorized to do business in this state, or otherwise secured in a manner satisfactory to the Town, in an amount equal to one hundred (100) percent of the price specified in the contract; and
3. A payment bond, satisfactory to the Town, executed by a surety company authorized to do business in this state, or otherwise secured in a manner satisfactory to the Town for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the work provided for in the contract, in an amount equal to one hundred (100) percent of the price specified in the contract.

- B. Nothing in this section shall be construed to limit the authority of the Town to require a bond or other security in addition to the bonding requirements as stated above.

**III. Retainage**

The contract shall include provisions for retainage of contract sums as prescribed by state law and may include provisions for retainage in contracts not covered by state law.

**IV. Damage or Delay**

The Town may, by contract, require the contractor to waive, release, or extinguish its rights to recover costs or damages, or obtain an equitable adjustment for delays in performing such contract if such delay is caused, in whole or in part, by the acts or omissions of the Town or its agents. If the contract provides that, an extension of time for completion of the work is the contractor's remedy for such delay. Such clause is valid and enforceable, any provision of state law to the contrary notwithstanding.

**V. Final Payment**

The last payment on a Capital Improvement Contract, in an amount of ten thousand dollars (\$10,000) or more, will not be made until at least ten days after notice of intention to pay is published at least twice in a newspaper of general circulation in the Town and after the Town has received a release of statements of claim or liens. Proof of publication should be submitted to Accounts Payable. Claims against the contract shall be filed as prescribed by state law.

## INDEPENDENT CONTRACTOR POLICY

### **I. General**

**The Town's Director of Human Resources or designee shall make the determination whether an individual is an independent contractor, as compared to an employee, and shall approve any contract arrangements.**

An individual is generally considered to be an independent contractor if the employer has the right to control or direct only the result of the work and not the means and methods of accomplishing it. Examples may include a software programmer, recreation instructor and electrician. Compare with the Internal Revenue Code Test ([www.irs.gov/newsroom/understanding-employee-vs-contractor-designation](http://www.irs.gov/newsroom/understanding-employee-vs-contractor-designation)).

The determination needs to be made on a case by case basis.

### **II. Procedures**

The procedures outlined herein are set forth to assure conformity of the independent contractor policy. It is the responsibility of the Department and its personnel to comply with all provisions set forth with this independent contractor policy.

- A. Steps in contracting with independent contractors include:
  - 1. Identification of need.
  - 2. Determination of status with Director of Human Resources.
  - 3. Negotiation of contract.
  - 4. Professional Service Agreement filed with Human Resources.
  - 5. IRS Form W-9 filed with Accounts Payable.
- B. Once the Director of Human Resources' approval to contract with an independent contractor is received, terms need to be negotiated with that contractor. Each independent contractor must be given a copy of the W-9 and must be made aware of the deadlines for payment processing through Accounts Payable.
- C. A Professional Service Agreement must be completed, signed, and forwarded to Human Resources. Human Resources will obtain the Town Administrator's signature. The original is kept in a file in Accounts Payable, with a copy returned to the originating Department, who is responsible to provide the contractor with a copy. IRS Form W-9 must be completed, signed, and forwarded to Accounts Payable. Payment will not be processed unless the W-9 has been received.
- D. The Professional Service Agreement is available in the Finance Department, and should not be modified, unless approved by the Town Administration or designee.

## Town of Wellington, Colorado Fund Balance Policy 2022

December 13, 2022

### **Purpose**

The Town of Wellington hereby establishes and will maintain reservations of fund balance as defined herein in accordance with Governmental Accounting Standards Board Statement No. 54 Fund Balance Reporting.

The Board recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the Town and is fiscally advantageous for both the Town and the taxpayer. This policy establishes goals and provides guidance concerning the desired level of fund balance maintained by the Town to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances.

### **Minimum Level of Unassigned Fund Balance**

Unassigned fund balance will be maintained at a level sufficient to provide for the required resources to meet operating cost needs, to allow for unforeseen needs of an emergency nature, and to permit orderly adjustment to changes resulting from fluctuations of revenue sources.

#### **General Fund and Special Revenue Funds (Streets, Parks, and Conservation Trust funds)**

The Town of Wellington, at a minimum, will maintain unrestricted budgetary fund balance of no less than four month (33%) of regular operating expenditures or 110% of debt service whichever is greater.

#### **Enterprise Funds (Water, Wastewater, and Stormwater)**

The Town of Wellington, at a minimum, will maintain unrestricted budgetary fund balance of no less than 90 days of regular operating expenditures. In addition, all enterprise funds will build up a capital reserve equal to 1-years' depreciation expense by the end of 2027.

#### **Library Trust Fund**

The Library Trust fund, a private purpose trust fund, will have no minimum fund balance requirement other than the 3% TABOR reserve.

### **Replenishment Strategy**

If the unassigned fund balance at fiscal year-end falls below the goal, the Town shall develop a replenishment strategy to achieve and maintain the minimum fund balance within one to three years. Specifically, factors influencing the replenishment time horizon include: the budgetary reasons behind the fund balance targets; recovering from an extreme event; political continuity; financial planning time horizons; long-term forecasts and economic conditions; and external financing expectations.

Revenue sources that would typically be looked to for replenishment of fund balance include nonrecurring revenues, budget surplus, excess resources in other funds (if legally permissible and there is a defensible rationale).

### **Order of Expenditure of Funds**

When multiple categories of fund balance are available for expenditure (e.g., a project is being funded partly by a grant, funds set aside by the Board, and unassigned fund balance), the Town will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

In accordance with governmental accounting standards the Town's total fund balance is comprised of five components:

1. Nonspendable Fund Balance represents resources that are physically or legally in a nonspendable form such as inventory,
2. Restricted Fund Balance represents resources limited by state law or the provider such as grants or resources reported as "Stabilization by State Statute",
3. Committed Fund Balance represents resources previously committed by the Trustees for a particular purpose such as a project partially funded by grants,
4. Assigned Fund Balance represents resources assigned less formally for a particular purpose such as insurance reserves or subsequent year spending, and
5. Unassigned Fund Balance represents all remaining resources.

### **Annual Review and Determination of Fund Balance Reserve Amounts**

Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process and amounts of the minimum level of unassigned fund balance shall be determined during this process.

Supersedes: Resolution 45-2020, Adopted December 8<sup>th</sup>, 2020



**TOWN OF**  
**WELLINGTON**

**FINANCIAL POLICIES**

**2023**

## **BALANCED BUDGET**

The Town of Wellington defines a balanced budget as one in which expenditures do not exceed available resources. Available resources are defined as annual projected revenues and beginning fund balances. Ongoing operational expenses must be funded by ongoing sources of revenue. As a matter of policy, the Town of Wellington does not use one-time revenues, such as impact fees or grants, to fund ongoing operations.

## **FINANCIAL POLICIES**

The over-riding financial goal of the Town of Wellington is to keep intact Wellington's fiscal stability. There are a number of components, principles, procedures, and sub-policies used to achieve this goal, but the main focus is still on this one basic goal- fiscal stability

### **Components of Fiscal Stability**

The Town of Wellington's definition of fiscal stability has several interrelated components:

- Cash Solvency – The ability to pay for current municipal operations.
- Budgetary Solvency – The ability to annually balance the budget.
- Long Term Solvency – The ability to pay for future municipal operations.
- Service Level Solvency – The ability to provide municipal services.
- Flexibility – The ability to react and respond to changes in the economy and new service challenges without measurable financial stress.

### **Principles and Procedures**

1. The Town shall conform to generally-accepted accounting procedures (GAAP) as applied to governmental units in the United States of America. The Town shall also conform to standards of the Governmental Accounting Standards Board (GASB) and Government Finance Officers Association (GFOA).
2. A balanced budget will be prepared annually by the Town Administrator and Director of Finance and will be presented to the Finance Committee and then Town Board for consideration.
3. The Director of Finance will present the Town Board with a monthly financial report of both revenues and expenditures for all of the Town's funds.
4. The Director of Finance shall annually prepare a Comprehensive Annual Financial Report. The report shall be audited by an independent certified public accountant. The audit shall be conducted in accordance with state statutes establishing the local government audit laws.
5. A five-year capital improvement plan shall be updated each year prior to submission of the budget.

## **INVESTMENT POLICIES**

Colorado Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Permissible investments include:

- Obligations of the United States and certain U.S. government agency securities.
- Certain international agency securities.
- General obligation and revenue bonds of U.S. local government entities.
- Banker's acceptances of certain banks.
- Commercial paper.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

The majority of the Town of Wellington's investment lies in local government investment pools, which reinvest in U.S government obligations and collateralized repurchase agreements.

## EXPENDITURE POLICIES

Annual budget priorities are established by the Town Board through their Strategic Plan. Usually, the considerations taking precedence include: Debt Payments, Police Services, Water / Sewer / Drainage Services, Street Maintenance, and PROST (Parks, Recreation, Open Spaces, & Trails).

In addition, the Town observes the following restrictive provisions on all expenditures:

- Budget Expenditures are limited to projected revenues and fund surpluses. This ensures both Cash and Budgetary Solvency.
- Ongoing operating costs shall be funded by ongoing revenue sources. This protects the Town when one-time or unpredictable revenues are reduced or removed, thus ensuring Cash, Long Term, and Service Level Solvency.
- Capital projects, vehicles, and new equipment shall initially be funded through the Capital Improvement Fund or capital funds appropriately designated as such in another fund. This ensures Cash Solvency.
- Recurring operation and maintenance costs will be funded through the General Fund or Operations and Maintenance funds appropriately designated as such in another fund. This ensures both Long Term and Service Level Solvency.
- The Town Board shall set total appropriations at the fund level. Any additional appropriations or adjustments between funds shall be approved by budget amendments, ensuring Budgetary Solvency.
- Department Heads are responsible for managing Departmental budgets with the total appropriated budget, ensuring Cash, Budgetary, and Service Level Solvency.

## DEBT POLICY

The Town borrows money and issues short-term notes, general obligation bonds, revenue bonds, special or local improvement bonds, or any securities not in contravention of the Code of the Town of Wellington. The Town borrows money and issues the following securities to evidence such indebtedness:

Short-term notes

Special or Local Improvement District Bonds

General Obligation Securities

A sound debt policy ensures the components of Service Level Solvency and Flexibility. It is a high priority for the Town of Wellington to maintain good communications with bond rating companies and to earn good bond ratings. The Town has developed the following policies to ensure that debt is soundly financed:

- The Town shall maintain an underlying bond rating (without the issuance of bond insurance) of no less than “A-” from Standard & Poor’s Rating Services or “A1” from Moody’s Investors Services Inc. Bond insurance may be attached to any bond issue to enhance the bond rating over the underlying rating;
- Revenue sources to be used to finance debt are conservatively estimated.

In addition, the Town observes the following restrictive provisions in all issues of bonds by the municipality:

- The interest rate shall not exceed the market rate, with the most favorable bond pricing being obtained through either competitive bids or negotiated placement.
- All bonds issued by the Town shall contain a provision for redemption prior to maturity.
- Annual budgets include debt service payments and reserve requirements for all debt currently outstanding for all proposed debt issues. Debt service shall be limited to 10-15% of operating expenditures exclusive of capital improvements and debt service expenditures.

## FINANCIAL PLANNING POLICY

Sound Financial Planning Policy most directly ensures Long Term, Budgetary, and Service Level Solvency, as well as Flexibility.

The Town adheres to the following guidelines related to Financial Planning:

- A three-year financial plan shall be developed annually to react to economic changes and to accommodate for regulatory and legislative mandates.
- Revenues shall be conservatively estimated, and expenditures shall be budgeted at or below 100% to ensure budgetary solvency.
- The Town shall accept new requirements for services only when adequate funding is available.
- Enterprise Funds shall be self-sustaining. They shall be charged for indirect administrative services performed by other Town departments. Operational revenue shall be sufficient to

fund capital costs and replacement.

- Prior to undertaking a capital project, all future ongoing operational and maintenance costs associated with the capital project shall be identified and included as part of the policy discussion.
- The Town shall inventory and assess the condition of all major capital assets. This information will be used to plan for the ongoing financial commitments required for major repairs or replacement to be funded through the Capital Improvement Fund or Capital funds appropriately designated as such in another fund.

## REVENUE POLICY

A sound revenue policy affects all of the components of fiscal stability. Ongoing provision of services cannot be achieved without sufficient funding.

- User fees for all operations shall be reviewed annually to ensure rates defray operating costs and are market competitive.
- Utility rates shall be reviewed annually and adjusted, if necessary, to reflect inflation, construction goals, maintain bond covenants, and avoid major periodic increases.
- The cost of utility contractual services over which the Town has no control shall be passed through to rate payers in a manner consistent with Town Board direction.
- Excess fund balances may be used to off-set rate increases when possible and fiscally responsible.
- The Town shall maximize state and federal grants, loan interest programs, and other intergovernmental sources for capital needs.
- The Town shall maintain a diversified revenue system to protect it from short-run fluctuations in any one revenue source.

## **Board of Trustees Meeting**

**Date:** September 30, 2025  
**Subject:** Fiscal Year 2026 Budget Discussion — Larimer County Sheriff's Office Budget Presentation

- **Presentation: Lieutenant Josiah Thiemann**

### **BACKGROUND / DISCUSSION**

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Larimer County Sheriff's Office - Wellington Squad Lieutenant Josiah Thiemann will present the draft fiscal year 2026 Wellington contract budget. Also included is the current FY2025 budget (\$2,135,717) for reference.

### **STAFF RECOMMENDATION**

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Staff is seeking direction on the LCSO budget and staffing requests.

### **ATTACHMENTS**

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1. DRAFT LCSO 2026 Wellington Contract Budget
2. LCSO FY2025 Wellington Contract Budget

### Costs for Wellington 2026

|                                                               | SGT            | CPL            | DEPUTIES<br>(6)  | DESK<br>DEPUTY | SRO***         | INVEST         | OTHER         | TOTAL            |
|---------------------------------------------------------------|----------------|----------------|------------------|----------------|----------------|----------------|---------------|------------------|
| Salary (Wages + Full Benefits)                                | 176,376        | 155,708        | 862,833          | 143,805        | 86,283         | 155,708        | -             | 1,580,713        |
| Overtime                                                      | 10,000         | 10,000         | 40,000           | 500            | 5,000          | 10,000         | -             | 75,500           |
| Vehicle Lease (fuel, maintenance, etc)                        | 13,086         | 14,457         | 87,572           | -              | 3,754          | 14,457         | -             | 133,326          |
| Equipment Replacement Cost                                    | 5,500          | 5,500          | 33,001           | 4,035          | 2,750          | 5,039          | -             | 55,825           |
| Administrative Costs (Computer, Network, Cell phone, etc.)    | 5,375          | 5,375          | 32,247           | 3,769          | 2,687          | 5,600          | 4,176         | 59,228           |
| LCSO Overhead Costs                                           | 6,020          | 6,020          | 36,117           | 6,020          | 3,010          | 6,020          |               | 63,205           |
| LCSO Insurance Costs                                          | 8,362          | 8,362          | 50,172           | 8,362          | 4,181          | 8,362          |               | 87,801           |
| Office Space - trash                                          | -              | -              | -                | -              | -              | -              | 572           | 572              |
| Copy Machine Rental                                           | -              | -              | -                | -              | -              | -              | 1,911         | 1,911            |
| Mental Health                                                 |                |                |                  |                |                |                | 10,000        | 10,000           |
| Bicycle Maintenance                                           | -              | -              | -                | -              | -              | -              | 300           | 300              |
| Flock Safety Camera (6)                                       |                |                |                  |                |                |                | 17,100        | 17,100           |
| *Larimer County Indirect cost (11.04% of salary and benefits) | 20,576         | 18,294         | 99,673           | 15,931         | 10,078         | 18,294         | 0             | 182,846          |
| <b>Total with Larimer County Indirect Costs</b>               | <b>245,295</b> | <b>223,715</b> | <b>1,241,616</b> | <b>182,422</b> | <b>117,743</b> | <b>223,478</b> | <b>34,059</b> | <b>2,268,328</b> |

\*\*\* This cost is Wellington's share of the SRO position. Poudre School District covers 50% of the costs for the SRO for the School year. Wellington covers the other half, plus the cost for the summer months.

Equipment replacement costs include cost of Axon (Body worn cameras)

#### Quarterly Payments

|             |              |
|-------------|--------------|
| Jan – Mar   | \$567,082.02 |
| Apr - June  | \$567,082.02 |
| July – Sept | \$567,082.02 |
| Oct – Dec   | \$567,082.02 |

### Costs for Wellington 2025

|                                                                  | SGT     | CPL     | DEPUTIES<br>(6) | DESK<br>DEPUTY | SRO***  | INVEST  | OTHER | TOTAL     | Add'l<br>Comm.<br>Impact<br>Deputy | Total w/new<br>positions | Comm.<br>Impact<br>Deputy<br>7/1/25 | Total<br>w/Comm.<br>Impact Dep.<br>Starting 7/1/25 |
|------------------------------------------------------------------|---------|---------|-----------------|----------------|---------|---------|-------|-----------|------------------------------------|--------------------------|-------------------------------------|----------------------------------------------------|
| Salary (Wages + Full Benefits)                                   | 171,239 | 151,172 | 837,702         | 139,617        | 83,770  | 151,172 | -     | 1,534,673 | 139,617                            | 1,674,290                | 69,809                              | 1,604,481                                          |
| Overtime                                                         | 5,000   | 5,000   | 30,000          | 500            | 5,000   | 5,000   | -     | 50,500    | 5,000                              | 55,500                   | 2,500                               | 53,000                                             |
| Vehicle – Full equipped w/o<br>radio*                            | -       | -       | -               | -              | -       | 35,000  | -     | 35,000    | 70,000*                            | 105,000                  | 70,000*                             | 35,000*                                            |
| Vehicle Lease (fuel,<br>maintenance, etc)                        | 12,537  | 12,979  | 88,223          | -              | 3,639   | 12,979  | -     | 130,357   | 14,704                             | 145,061                  | 7,352                               | 137,709                                            |
| Equipment/Clothing                                               | -       | -       | -               | -              | -       | -       | -     | 0         | 19,812                             | 19,812                   | 19,812                              | 19,812                                             |
| Equipment Replacement Cost                                       | 5,500   | 5,500   | 33,001          | 4,035          | 2,750   | 5,039   | -     | 55,825    | 5,500                              | 61,326                   | 2,750                               | 58,576                                             |
| Administrative Costs (Computer,<br>Network, Cell phone, etc.)    | 5,629   | 5,629   | 33,774          | 3,699          | 2,815   | 5,854   | 4,104 | 61,504    | 5,629                              | 67,133                   | 2,815                               | 64,319                                             |
| LCSO Overhead Costs                                              | 5,366   | 5,366   | 32,196          | 5,366          | 2,683   | 5,366   |       | 56,342    | 5,366                              | 61,708                   | 2,683                               | 59,025                                             |
| LCSO Insurance Costs                                             | 6,623   | 6,623   | 6,623           | 6,623          | 3,311   | 6,623   |       | 36,424    | 6,623                              | 43,047                   | 3,312                               | 39,735                                             |
| Office Space - trash                                             | -       |         | -               | -              | -       | -       | 572   | 572       |                                    | 572                      |                                     | 572                                                |
| Copy Machine Rental                                              | -       | -       | -               | -              | -       | -       | 1,911 | 1,911     |                                    | 1,911                    |                                     | 1,911                                              |
| Bicycle Maintenance                                              | -       | -       | -               | -              | -       | -       | 300   | 300       |                                    | 300                      |                                     | 300                                                |
| *Larimer County Indirect cost<br>(10.87% of salary and benefits) | 19,157  | 16,976  | 94,319          | 15,231         | 9,649   | 16,976  | 0     | 172,308   | 15,720                             | 188,028                  | 7,860                               | 180,168                                            |
| Total with Larimer County<br>Indirect Costs                      | 231,051 | 209,245 | 1,155,838       | 175,070        | 113,617 | 244,009 | 6,887 | 2,135,717 | 287,971                            | 2,423,688                | 188,891                             | 2,254,609*                                         |

\*\*\* This cost is Wellington's share of the SRO position. Poudre School District covers 50% of the costs for the SRO for the School year. Wellington covers the other half, plus the cost for the summer months.

Equipment replacement costs include cost of Axon (Body worn cameras)

The addition of \$35,000 in the vehicle line is the additional half time investigator that was added to bring the investigator time to 1 FTE in 2023.

\* The one-time expense of \$70,000 in the vehicle line for the additional Community Impact Deputy will be split across two years beginning in 2026. "Total w/Comm. Impact Dep. Starting 7/1/25" column, including Quarterly Payments, does not include the \$70,000 expense in 2025. Vehicle expense of \$35,000 will be included in 2026 and 2027.

| Quarterly<br>Payments | Payments<br>W/impact<br>dep. | Payments<br>W/impact dep.<br>7/1/25* |
|-----------------------|------------------------------|--------------------------------------|
| Jan – Mar             | \$533,929.29                 | \$ 563,652.25                        |
| Apr - June            | \$533,929.29                 | \$ 563,652.25                        |
| July – Sept           | \$533,929.29                 | \$ 563,652.25                        |
| Oct – Dec             | \$533,929.29                 | \$ 563,652.25                        |

## **Board of Trustees Meeting**

**Date:** September 30, 2025

**Subject:** Fiscal Year 2026 Budget Discussion — Draft CIP Expenditures

- **Presentation:** Patti Garcia, Town Administrator; Nic Redavid, Finance Director | Town Treasurer; Hannah Hill, Town Clerk; Cody Bird; Planning Director; Bob Gowing, Public Works Director; Meagan Smith, Deputy Director of Public Works and Utilities; Nathan Ewert, Deputy Director of Public Works and Engineering; Billy Cooksey, Parks and Recreation Manager

### **BACKGROUND / DISCUSSION**

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The draft list of proposed capital improvement projects (CIP) is presented for review, including expenditure requests for fiscal year 2026 and a comprehensive project list through 2030. Capital improvement projects refer to long-term investments in the Town's infrastructure, facilities, and equipment — such as streets, water systems, parks, and public buildings — that are essential to maintaining and improving community services.

A five-year CIP provides a strategic framework for prioritizing and funding major projects. It ensures that resources are allocated efficiently, supports fiscal sustainability, and aligns infrastructure development with community growth and service needs. Reviewing the plan through 2030 allows the Board to assess long-term priorities and provide informed guidance to Town Staff that will support Wellington's future.

### **STAFF RECOMMENDATION**

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Staff is seeking input on the requests in the first draft of the Town's capital improvement projects expenditures for fiscal year 2026, and the project list through 2030.

### **ATTACHMENTS**

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1. DRAFT CIP Expenditures FY2026

Capital Projects | General Fund  
Five Year Summary

| GL          | Project Name                                                                                                     | BUDGET<br>2025 | 2025 through<br>6/30/2025 | 2025 EOY<br>Estimate | Unexpended<br>2025 | 2026<br>Requests | BUDGET<br>2026 | 2027    | 2028   | 2029   | 2030   | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Project<br>Ranking<br>Priority |
|-------------|------------------------------------------------------------------------------------------------------------------|----------------|---------------------------|----------------------|--------------------|------------------|----------------|---------|--------|--------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 211-80-4000 | Downtown Masterplan                                                                                              |                |                           |                      | -                  | -                | -              | -       |        |        |        | Canceled - RMS, Transportation Masterplan, Parks Masterplan in process                                                                                                                                                                                                                                                                                                                                                                                                              |                                |
| 211-80-5050 | Elevator in Muni Building                                                                                        | 85,000         | 20,000                    | 85,000               | -                  | -                | -              |         |        |        |        | Installation of ADA Lift in Municipal Services Building.                                                                                                                                                                                                                                                                                                                                                                                                                            |                                |
| 211-80-5051 | Housing Needs Assessment and Strategy Development                                                                | 30,000         | 30,000                    | 30,168               | -                  | -                | -              |         |        |        |        | Detailed analysis that identifies and evaluates the current and future housing demands, trends, and challenges. The effort includes developing code or policy strategies to increase opportunities for affordable housing.                                                                                                                                                                                                                                                          |                                |
| 211-80-4054 | Tract F                                                                                                          | 75,000         | -                         | 20,986               | 54,014             | 986              | 55,000         |         |        |        |        | Stormwater retention pond improvements on 12.5 parcel along I-25 frontage road.                                                                                                                                                                                                                                                                                                                                                                                                     |                                |
| 211-80-5052 | ADA Community Improvements                                                                                       | 10,000         | 5,210                     | 10,000               | -                  | -                | -              |         |        |        |        | Moved to Town Community & Administrative Facilities in Operating Budget                                                                                                                                                                                                                                                                                                                                                                                                             |                                |
|             | ADA Self- Evaluation & Transition Plan: Facilities/Parks/Programming/Events                                      |                |                           |                      | -                  | 80,000           | 80,000         |         |        |        |        | The self-evaluation reviews the town's public facilities, programs, services, activities and events to determine compliance with the ADA and identify any barriers to accessibility. The Transition Plan is a rolling fluid document that prioritizes the identified barriers and how they will be corrected.                                                                                                                                                                       |                                |
|             | ADA Self- Evaluation & Transition Plan: Right-of-way                                                             |                |                           |                      | -                  | -                | -              | 95,000  |        |        |        | The self-evaluation reviews the town's public facilities, programs, services, activities and events to determine compliance with the ADA and identify any barriers to accessibility. The Transition Plan is a rolling fluid document that prioritizes the identified barriers and how they will be corrected.                                                                                                                                                                       |                                |
|             | 6th Street Undergrounding/Lights Bonfire Subdivision DA                                                          |                |                           |                      | -                  | 75,000           | 75,000         |         |        |        |        | Reimbursement outlined in the development agreement (DA) for Bonfire Subdivision for powerline upsizing, undergrounding and street lighting installation.                                                                                                                                                                                                                                                                                                                           |                                |
| 211-80-5059 | Library Outdoor Event Space Shade Structure                                                                      | 27,500         | -                         | 25,333               | -                  | -                | -              |         |        |        |        | Replacement for shade formerly provided by large tree in Library Park that was removed during 2022 due to disease and safety concerns. This is a community space for outdoor events organized by the Library for all residents of Wellington. Grant funds provided by AARP for seating purchased in 2023, including ADA compliant tables with benches. ADA accessible concrete stage pad poured in 2024. The Friends of the Library would like to provide funding for this project. |                                |
| UPDATED     | General Fund Contribution Saddleback Subdivision                                                                 |                |                           |                      | -                  | -                | -              | 45,120  | 56,400 | 64,296 | 65,424 | Required by the Development Agreement for Saddleback, as amended in 2024, totaling no more than \$231,240.                                                                                                                                                                                                                                                                                                                                                                          |                                |
|             | Public Works and Parks Admin Facility                                                                            |                |                           |                      | -                  | 250,000          | 250,000        |         |        |        |        | Site analysis, programming, site design, of new public works and parks admin facility to be located on Town property.                                                                                                                                                                                                                                                                                                                                                               |                                |
|             | Community Facility Development, Property Acquisition, and Grant Matching Funds                                   |                |                           |                      | -                  | 400,000          | 400,000        | 480,000 |        |        |        | This proactive approach allows the town to shape its future by securing land for strategic projects that align with the Board's vision.                                                                                                                                                                                                                                                                                                                                             |                                |
| NEW         | Cemetery Mapping - Cemetery Land & Survey Initiative                                                             |                |                           |                      | -                  | 30,000           | 30,000         |         |        |        |        | Title search, easements, annexation and survey                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                |
| NEW         | Cemetery - Columbarium                                                                                           |                |                           |                      | -                  | -                | -              |         |        |        | 80,000 | Design and construction of columbarium to add grave spaces                                                                                                                                                                                                                                                                                                                                                                                                                          |                                |
| NEW         | Housing Action Plan and Comprehensive Plan Elements for Water Supply and Strategic Growth (required by SB24-174) |                |                           |                      | -                  | 120,000          | 120,000        |         |        |        | 75,000 | Housing Action Plan and Comprehensive Plan Elements for Water Supply and Strategic Growth are required to be adopted by 12/31/2026 (required by SB24-174). Seeking grant funds with a 25% matching requirement. Required to be updated at least every 5 years.                                                                                                                                                                                                                      |                                |
| NEW         | Housing Affordability - Local Planning Capacity Grant                                                            |                |                           |                      | -                  | 250,000          | 250,000        |         |        |        |        | Seeking grant funds available through Proposition 123 for professional services to assist with meeting requirements of legislative acts including land use code updates and policy recommendations for affordable housing incentives. Seeking grant funds with a 20% matching requirement.                                                                                                                                                                                          |                                |

|     |                                                                                    |  |  |  |   |        |        |        |         |         |        |                                                                                                                                                                                                                                                            |  |
|-----|------------------------------------------------------------------------------------|--|--|--|---|--------|--------|--------|---------|---------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| NEW | Update Landscape and Irrigation Standards (required for compliance with HB25-1113) |  |  |  | - | 65,000 | 65,000 |        |         |         |        | Update Landscape and Irrigation Design Manual and Land Use Code Amendments for compliance with HB25-1113. Align code and standards with recommendations of the Comprehensive Plan Water Supply Element and Water Efficiency Plan. (required by 12/31/2027) |  |
| NEW | Business Development Incentives Feasibility Study                                  |  |  |  | - |        | -      | 50,000 |         |         |        | Professional services to study and recommend incentive policies to assist business development.                                                                                                                                                            |  |
| NEW | Economic Development Strategy                                                      |  |  |  | - |        | -      |        | 100,000 |         |        | Professional services to evaluate the overall economic health of the community and recommendations for prioritizing resources.                                                                                                                             |  |
| NEW | Downtown Entry Monumentation Design and Engagement                                 |  |  |  | - |        | -      |        | 75,000  |         |        | Architectural and Engineering Design services for Downtown Entry Monumentation. Public engagement and outreach included.                                                                                                                                   |  |
| NEW | Downtown Entry Monumentation Construction                                          |  |  |  | - |        | -      |        |         | 325,000 |        | Construction of Downtown Entry Monumentation, east and west entries.                                                                                                                                                                                       |  |
| NEW | Housing Needs Assessment Update                                                    |  |  |  | - |        | -      |        |         |         | 75,000 | Detailed analysis that identifies and evaluates the current and future housing demands, trends, and challenges. Includes implementation strategies in accordance with Housing Action Plan. Required to be updated at least every 6 years.                  |  |

TOTAL: \$ 227,500 \$ 55,210 \$ 171,487 \$ 54,014 \$ 1,270,986 \$ 670,120 \$ 231,400 \$ 389,296 \$ 295,424

2026 TOTAL: \$ 1,325,000

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Capital Projects | Street Fund  
Five Year Summary

| GL          | Project Name                                       | BUDGET<br>2025 | 2025 through<br>6/30/2025 | 2025 EOY<br>Estimate | Unexpended<br>2025 | 2026<br>Requests | BUDGET<br>2026 | 2027      | 2028      | 2029      | 2030      | Description                                                                                                                                                                                                                                                                           | Project<br>Ranking<br>Priority |
|-------------|----------------------------------------------------|----------------|---------------------------|----------------------|--------------------|------------------|----------------|-----------|-----------|-----------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 211-80-4007 | Pavement Preventive Maintenance                    | 150,000        | -                         | 150,000              | -                  | 157,500          | 157,500        | 165,375   | 173,644   | 182,326   | 191,442   | On-going preventive maintenance for town streets, including crack seal, overlays, chipseal, and other measures to lengthen lifespan of existing pavements.                                                                                                                            |                                |
| 211-80-4009 | Pavement Condition Assessment                      | 65,000         | -                         | 40,000               | 25,000             | 65,000           | 90,000         |           |           |           |           | The Pavement Condition Assessment will evaluate Wellington streets and provide conceptual long-range planning information to prioritize, schedule and budget on-going street maintenance and repair.                                                                                  |                                |
| 211-80-5022 | Cleveland Ave Improvements - Design Phase Services | 268,914        | 162,117                   | 261,573              | 7,341              | 250,000          | 257,341        |           |           |           |           | Design and construction phase professional services for street improvements including curb/gutter, storm drainage, paving, sidewalks, ADA accessibility, lighting and landscaping along Cleveland Ave.                                                                                |                                |
| 211-80-5023 | Street/Sidewalk Safety Improvements - Construction | 324,086        | -                         | -                    | 324,086            | 50,764           | 374,850        |           |           |           |           | Construction of various sidewalk and accessibility improvements as funded with the HSIP grant.                                                                                                                                                                                        |                                |
| 211-80-5024 | Transportation Master Plan                         | 160,000        | -                         | 50,000               | 110,000            | 40,000           | 150,000        |           |           |           |           | Strategic document that outlines goals, policies, and projects aimed at improving the town's transportation system and infrastructure.                                                                                                                                                |                                |
|             | Street Rehabilitation                              |                |                           |                      | -                  | 1,500,000        | 1,500,000      | 1,575,000 | 1,653,750 | 1,736,438 | 1,823,259 | Multi-year rehabilitation plan for streets throughout town, as informed by the Paving Condition Assessment.                                                                                                                                                                           |                                |
| UPDATED     | Road Off-site Improvement Saddleback               |                |                           |                      | -                  | -                | -              | 48,000    | 60,000    | 68,400    | 69,600    | Reimbursements as required by the Development Agreement for the Saddleback Subdivision as amended in 2024, totaling no more than \$246,000.                                                                                                                                           |                                |
| NEW         | Railroad Crossing Improvements Sage Meadows 2nd    |                |                           |                      |                    | 7,402            | 7,402          | 14,400    | 6,600     |           |           | Reimbursements as required by the Development Agreement for Sage Meadows 2nd Subdivision                                                                                                                                                                                              |                                |
|             | Old Town Sidewalk Pedestrian Improvements          |                |                           |                      | -                  |                  | -              | 500,000   | 525,000   | 551,250   |           | Ongoing program to install missing sidewalk throughout the old town area.                                                                                                                                                                                                             |                                |
| 211-80-5046 | Vehicle Replacement - Street Fund                  |                |                           |                      | -                  | 64,000           | 64,000         |           | 68,000    |           |           | The goal of the vehicle replacement plan is to remove older vehicles in poor condition from the Town's fleet and replace those with more reliable new vehicles. These are anticipated to cost approximately \$60,000 in 2024 with price increases in future years.                    |                                |
| 211-80-5060 | Street Striping Equipment                          | 60,000         | -                         | -                    | 60,000             |                  | 60,000         | 135,000   |           |           |           | New truck mounted pavement striping equipment to replace existing striper and enable more efficient production.                                                                                                                                                                       |                                |
| 211-80-5061 | Air Conditioner Recharge System                    | 16,000         | 15,417                    | 15,417               | -                  | -                | -              |           |           |           |           | New fleet shop equipment to create costing saving by bringing this maintenance function in house.                                                                                                                                                                                     |                                |
| 211-80-5062 | Cleveland Avenue Improvements - Construction       | 4,000,000      | -                         | -                    | 4,000,000          | 1,529,754        | 5,529,754      |           |           |           |           | Estimated construction cost for street and drainage improvements including paving, hardscape, ADA accessibility, safety lighting, and other improvements along Cleveland Ave. See related street and drainage fund line items. Total grant funding for the project is \$4.44 million. |                                |
| 211-80-5063 | Transportation Grants Matching Funds               | 400,000        | -                         |                      | 400,000            |                  | 400,000        |           |           |           |           | Estimated grant matching funds for a maximum grant award of \$2,000,000 through the Reconnecting Communities Program, for planning and preliminary design of the overpass at I-25 and Cleveland Avenue.                                                                               |                                |
| 211-80-5064 | Main Street Alley North Paving                     | 65,000         | -                         | 45,000               | 20,000             |                  | 20,000         |           |           |           |           | New paving for the alley between Cleveland and Harrison, between 2nd and 3rd.                                                                                                                                                                                                         |                                |
| NEW         | Safe Routes to School Infrastructure Project       |                |                           |                      |                    |                  | -              | 150,000   | 150,000   |           |           | Pursue grant application for Safe Routes to Schools for priority pedestrian safety around Eyestone Elementary and connecting key destinations. Grant applications include a local 20% match requirement. Minimum award is \$100,000 and maximum award is \$1M.                        |                                |
| NEW         | Used Dump Truck / Snow Plow                        |                |                           |                      |                    | 85,000           | 85,000         |           |           |           | 110,000   | Purchase of a used dump truck/snow plow to replace the existing 1990s truck that is nearing its end of service life. Upgraded vehicle would improve fleet as well as driver safety.                                                                                                   |                                |
| NEW         | Snow Blower for Loader                             |                |                           |                      |                    | 190,000          | 190,000        |           |           |           |           | New equipment for snow maintenance on Cleveland Ave.                                                                                                                                                                                                                                  |                                |
| NEW         | Snow Blade for Loader                              |                |                           |                      |                    | 40,000           | 40,000         |           |           |           |           | New equipment for snow maintenance on Cleveland Ave.                                                                                                                                                                                                                                  |                                |
| NEW         | Skag Mower                                         |                |                           |                      |                    |                  | -              |           | 30,000    |           |           | Replacement mower                                                                                                                                                                                                                                                                     |                                |

|                          |              |              |            |            |              |              |   |              |              |              |              |                                                                                                                                                                                                                                                  |  |
|--------------------------|--------------|--------------|------------|------------|--------------|--------------|---|--------------|--------------|--------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| NEW                      | Scissor Lift |              |            |            |              |              | - | 17,500       |              |              |              | Used two man scissor lift, we currently rent one several times a year for use at multiple facilities. This unit would be available for use at WRF, WTP, Streets, and Parks and Rec to reach elevated lighting/HVAC equipment inside and outside. |  |
| TOTAL:                   |              | \$ 5,509,000 | \$ 177,534 | \$ 561,990 | \$ 4,946,427 | \$ 3,979,420 |   | \$ 2,605,275 | \$ 2,666,994 | \$ 2,538,413 | \$ 2,194,302 |                                                                                                                                                                                                                                                  |  |
| 2026 TOTAL: \$ 8,925,847 |              |              |            |            |              |              |   |              |              |              |              |                                                                                                                                                                                                                                                  |  |

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Capital Projects | Water Fund  
Five Year Summary

| GL          | Project Name                                                        | BUDGET<br>2025 | 2025 through<br>6/30/2025 | 2025 EOY<br>Estimate | Unexpended<br>2025 | 2026<br>Requests | BUDGET<br>2026 | 2027    | 2028      | 2029      | 2030      | Description                                                                                                                                                                                                                                                                                                                                                                                                          | Project<br>Ranking<br>Priority |
|-------------|---------------------------------------------------------------------|----------------|---------------------------|----------------------|--------------------|------------------|----------------|---------|-----------|-----------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 211-80-4010 | Water Plant Expansion Engineering and Construction                  | -              | 1,216                     | 1,216                | -                  |                  | -              |         |           |           |           | Variety of infrastructure improvements to address the well system, safety concerns, access hatches, fencing etc.                                                                                                                                                                                                                                                                                                     |                                |
| 211-80-4014 | Wilson Wellhouses Improvements                                      | 30,000         | -                         | 25,000               | 5,000              |                  | 5,000          |         |           |           |           | Variety of infrastructure improvements to address the well system, safety concerns, access hatches, fencing etc.                                                                                                                                                                                                                                                                                                     |                                |
| 211-80-4019 | Distribution System Master Plan                                     | 125,000        | 12,912                    | 70,000               | 55,000             |                  | 55,000         |         |           |           |           | The current distribution masterplan is incomplete and was based on a modeling system that is no longer supported. The master plan includes a new distribution system model, identification of water main and/or pumping improvements, and alternative analysis.                                                                                                                                                      |                                |
| 211-80-4020 | Buffalo Creek Booster Station                                       |                |                           |                      | -                  |                  | -              | 75,000  |           |           |           | The Buffalo Creek Booster Station provides flow and pressure to the northwest area of town, such as Buffalo Creek and planned future developments. The station was not constructed with VFDs or adequate control systems, which impacts operation and consistent performance.                                                                                                                                        |                                |
| 211-80-4079 | Reservoir Management Project                                        |                |                           |                      | -                  |                  | -              |         | 100,000   |           |           | This project is the starting point for a Reservoir Management Program. With the new plant coming online in 2024, Staff is looking to operate the plant for more than a year to determine the best multi-barrier approach to treating and delivering the highest quality drinking water possible. Needs may include additional water quality testing, data collection, and/or in-situ chemical or physical treatment. |                                |
| 211-80-5013 | Automated Metering Infrastructure                                   | 990,000        | -                         | 247,500              | 742,500            |                  | 742,500        |         |           |           |           | This project will upgrade 1,300 residential meters to Smart Meters and install the required networking infrastructure and software needed to move to a fully Automated Metering Infrastructure (AMI), to include a customer facing portal.                                                                                                                                                                           |                                |
| 211-80-5032 | Source Water Intake Facility Fencing                                | 50,000         | -                         | -                    | 50,000             |                  | 50,000         |         |           |           |           | The Town needs to secure the property purchased from NPIC around the Source Water Intake Station. This project will include an improved access gate.                                                                                                                                                                                                                                                                 |                                |
| 211-80-5065 | Water Treatment Plant Admin and Lab Expansion Design Alternatives   | 200,000        | -                         | 67,155               | 132,845            |                  | 132,845        |         |           |           |           | Planning and preliminary design of Plant Administration building and lab expansion. The design has been moved up to 2025.                                                                                                                                                                                                                                                                                            |                                |
|             | Water Treatment Plant Admin Building and Lab Expansion Construction |                |                           |                      | -                  | 1,800,000        | 1,800,000      |         |           |           |           | Construction of Plant Administration building and lab expansion. Final cost will be refined based on alternatives analysis.                                                                                                                                                                                                                                                                                          |                                |
| UPDATED     | Water Oversizing Reimbursement Saddleback Subdivision               |                |                           |                      | -                  | -                | -              | 78,000  | 97,500    | 111,150   | 113,100   | Required by the Development Agreement for Saddleback, as amended in 2024, totaling to no more than \$399,750.                                                                                                                                                                                                                                                                                                        |                                |
| 211-80-4022 | Nano Plant Expansion                                                | 20,000         | 24,746                    | 24,746               | -                  |                  | -              |         |           |           |           |                                                                                                                                                                                                                                                                                                                                                                                                                      |                                |
|             | Skid Steer                                                          |                |                           |                      | -                  | 115,000          | 115,000        |         |           |           |           | Bobcat with tracks, to be purchased on rollout system. Expense reduced and timing pushed from 2024 CIP of \$225,000 for Front End Loader in 2025.                                                                                                                                                                                                                                                                    |                                |
| 211-80-5066 | Utilities Rate and Fee Update - Water                               | 35,000         | 18,738                    | 35,000               | -                  |                  | -              |         |           |           | 45,000    | Five year update to the 2025 Utility Rate and Fee Study, funded between Water, Wastewater, and Drainage Funds.                                                                                                                                                                                                                                                                                                       |                                |
|             | Source Water Redundancy - Engineering                               |                |                           |                      | -                  |                  | -              | 200,000 |           |           |           | NPIC has identified O&M needs on Reservoir 3 with planned execution winter 2027/2028. The Town needs to coordinate our own O&M needs and source water redundancy.                                                                                                                                                                                                                                                    |                                |
|             | Source Water Redundancy - Construction                              |                |                           |                      | -                  |                  | -              |         | 1,000,000 | 1,000,000 |           | This number will be refined through the engineering planning and design process in 2026.                                                                                                                                                                                                                                                                                                                             |                                |
|             | Source Water Pump Station Automatic Transfer Switch                 |                |                           |                      | -                  | 325,000          | 325,000        |         |           |           |           | Automatic Transfer Switch - Allows an automatic transition from grid power to generator power during an outage.                                                                                                                                                                                                                                                                                                      |                                |
| 211-80-5069 | Fluoride / Caustic Injection Automation                             | 120,000        | 11,896                    | 60,000               | 60,000             |                  | 60,000         |         |           |           |           | Current pH control and fluoride injection are manual operations. This project will upgrade both systems to be flow controlled and SCADA managed.                                                                                                                                                                                                                                                                     |                                |
|             | Distribution System rehabilitation and Upgrades                     |                |                           |                      | -                  |                  | -              |         | 430,000   | 600,000   |           | Programmed construction dollars for projects identified through the Distribution System Master Plan                                                                                                                                                                                                                                                                                                                  |                                |
|             | New Potable Water Tank                                              |                |                           |                      | -                  |                  | -              |         | 500,000   | 1,500,000 | 1,500,000 | Additional potable water storage to meet future demands and replace aging infrastructure                                                                                                                                                                                                                                                                                                                             |                                |
| NEW         | UTV w/ Plow                                                         |                |                           |                      |                    | 32,000           | 32,000         |         |           |           |           | UTV w/Plow to replace existing Gator that has on going maintenance issues and has reached the end of its service life.                                                                                                                                                                                                                                                                                               |                                |

|     |                                                           |  |  |  |  |        |        |        |        |         |        |                                                                                                                                                                                                                        |  |
|-----|-----------------------------------------------------------|--|--|--|--|--------|--------|--------|--------|---------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| NEW | Wilson Well South Well House #3 Improvements              |  |  |  |  |        | -      | 35,000 |        |         |        | Replace existing ARV, Replace existing Sump Pump, Modify or Install new Access Hatch.                                                                                                                                  |  |
| NEW | Alternative Water Source and Distribution Master Planning |  |  |  |  | 75,000 | 75,000 | 82,500 | 90,750 | 99,825  |        | Project to fund regional water master planning and design efforts, related to new supply sources, as well as potential regional partnerships.                                                                          |  |
| NEW | PRV Coating                                               |  |  |  |  |        | -      |        | 86,000 |         |        | Strip and re-coat valves, piping and other appurtenances inside existing Pressure Reducing Valve Vaults to prolong the life of the equipment and minimize future maintenance needs. 4 locations                        |  |
| NEW | Old Town Fire Hydrant Replacement                         |  |  |  |  |        | -      | 47,000 | 47,000 | 47,000  | 47,000 | Install insert-a-valves at various hydrant leads throughout old town to minimize street excavation and be able to isolate and replace aging fire hydrants.                                                             |  |
| NEW | Water line replacement - 3rd Street                       |  |  |  |  |        | -      |        | 25,000 | 100,000 |        | Install approx. 300ft of waterline in 3rd street between previous replacement projects                                                                                                                                 |  |
| NEW | Vehicle Replacement                                       |  |  |  |  |        | -      | 45,000 |        |         |        | 4 Door Small AWD SUV                                                                                                                                                                                                   |  |
| NEW | Municipal Water Efficiency Plan Update                    |  |  |  |  |        | -      |        | 85,000 |         |        | Last MWEP was completed in 2018. The timing of this update is planned to include use of AMI data and reflect recommendations of the Water Supply Master Plan and Comprehensive Plan Element for Water Supply Planning. |  |
| NEW | Vehicle Replacement - C&D                                 |  |  |  |  |        | -      |        | 95,000 |         |        | Larger truck to pull leak repair trailer                                                                                                                                                                               |  |
| NEW | Flow Meter - 1 MG tank                                    |  |  |  |  | 30,000 | 30,000 |        |        |         |        | New Flow meter to replace existing meter that isn't functional.                                                                                                                                                        |  |

TOTAL: \$ 1,570,000 \$ 69,508 \$ 530,617 \$ 1,045,345 \$ 2,377,000 \$ 562,500 \$ 2,556,250 \$ 3,457,975 \$ 1,705,100

2026 TOTAL: \$ 3,422,345

Capital Projects | Water Source Development  
Five Year Summary

| GL          | Project Name                  | BUDGET<br>2025 | 2025 through<br>6/30/2025 | 2025 EOY<br>Estimate | Unexpended<br>2025 | 2026<br>Requests | BUDGET<br>2026 | 2027      | 2028      | 2029      | 2030      | Description                                                                                                                                                                                                                                                                                                                                                                                                                                     | Project<br>Ranking<br>Priority |
|-------------|-------------------------------|----------------|---------------------------|----------------------|--------------------|------------------|----------------|-----------|-----------|-----------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 211-80-5035 | Water Source Development Plan | 92,655         | 60,565                    | 75,000               | 17,655             |                  | 17,655         |           |           |           |           | The Water Source Development Plan will offer the Town of Wellington a strategic and actionable roadmap for sustainable long-term water resource development. This plan will integrate Wellington’s current water system with projected future needs, incorporating thorough financial analyses and stakeholder input. By doing so, it aims to establish reliable and affordable water supply solutions to meet both present and future demands. |                                |
| 211-80-5036 | Water Purchase                | 2,500,000      | -                         | 250,000              | 2,250,000          |                  | 2,250,000      | 2,250,000 | 2,250,000 | 2,250,000 | 2,250,000 | Purchase of water shares.                                                                                                                                                                                                                                                                                                                                                                                                                       |                                |

TOTAL: \$ 2,592,655 \$ 60,565 \$ 325,000 \$ 2,267,655 \$ - \$ 2,250,000 \$ 2,250,000 \$ 2,250,000 \$ 2,250,000

2026 TOTAL: \$ 2,267,655

Capital Projects | Sewer Fund  
Five Year Summary

| GL                     | Project Name                                                                         | BUDGET<br>2025 | 2025 through<br>6/30/2025 | 2025 EOY<br>Estimate | Unexpended<br>2025 | 2026<br>Requests | BUDGET<br>2026 | 2027    | 2028    | 2029    | 2030      | Description                                                                                                                                                                                                                                                                                 | Project<br>Ranking<br>Priority |
|------------------------|--------------------------------------------------------------------------------------|----------------|---------------------------|----------------------|--------------------|------------------|----------------|---------|---------|---------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 211-80-4061            | Water Reclamation Facility   Engineering                                             | 255,000        | 171,899                   | 294,000              | -                  |                  | -              |         |         |         |           | Engineering cost associated with the expansion of the Water Reclamation Facility.                                                                                                                                                                                                           |                                |
| 211-80-4062            | Collection System Improvements                                                       |                |                           |                      | -                  |                  | -              | 250,000 | 250,000 | 500,000 | 500,000   | Programmed funding for wastewater collection system improvements as per the Collection Masterplan                                                                                                                                                                                           |                                |
| 211-80-4083            | Water Reclamation Facility   Construction                                            | 1,600,000      | 2,334,456                 | 4,171,758            | -                  |                  | -              |         |         |         |           | Construction cost associated with the expansion of the Water Reclamation Facility.                                                                                                                                                                                                          |                                |
| 211-80-4084            | Water Reclamation Facility Risk & Resiliency Assessment and Emergency Response Plan  |                |                           |                      | -                  | 85,000           | 85,000         |         |         |         |           | Evaluate the town's wastewater system for risk and create an updated emergency response plan.                                                                                                                                                                                               |                                |
| 211-80-4089            | Viewpoint Lift Station                                                               | 137,500        | -                         | -                    | 137,500            | -                | 137,500        | 500,000 | 500,000 |         |           | Improvements needed at the lift station to increase capacity, operational efficiency, and reliability. Project partially funded by a grant award in the amount of \$608,000.                                                                                                                |                                |
| 211-80-4091<br>UPDATED | Sewer Oversizing Reimbursement   Sage Meadows 2nd Development Agreement              |                |                           | 30,520               | -                  | 20,601           | 20,601         | 18,312  | 8,393   |         |           | The Town required the developer to oversize a sanitary sewer line within the project to accommodate future development.                                                                                                                                                                     |                                |
| UPDATED                | Sewer Oversizing Reimbursement   Saddleback Development Agreement                    |                |                           |                      | -                  | -                | -              | 9,600   | 12,000  | 13,680  | 13,920    | Required by the Development Agreement for Saddleback, as amended in 2024, totaling no more than \$49,200.                                                                                                                                                                                   |                                |
| 211-80-5044            | Roof Replacement for Existing Buildings                                              | 150,000        | -                         | 119,345              | 30,655             | 90,000           | 120,655        |         |         |         |           | Address failing roof systems for the RAS/WAS, Lab, and Dewatering buildings.                                                                                                                                                                                                                |                                |
| 211-80-5067            | Utilities Rate and Fee Update - Sewer                                                | 35,000         | 18,738                    | 35,000               | -                  |                  | -              |         |         |         | 45,000    | Five year update to the 2025 Utility Rate and Fee Study, funded between Water, Wastewater, and Drainage Funds.                                                                                                                                                                              |                                |
| NEW                    | DO Probe Airblast System                                                             |                |                           |                      |                    | 72,000           | 72,000         |         |         |         |           | Install DO probe airblast system to replace weekly DO probe cleaning currently required by operators. Includes installation of electrical components necessary to power the system.                                                                                                         |                                |
| NEW                    | Emergency Radio Services Radio System                                                |                |                           |                      |                    |                  | -              |         |         | 175,000 |           | Install emergency services radio booster system at each building on site. Needed to provide guaranteed radio service for PFA.                                                                                                                                                               |                                |
| NEW                    | Quanset Hut Electrical Service                                                       |                |                           |                      |                    |                  | -              | 30,000  |         |         |           | Expansion project installed conduit for adding electrical but no electrical was run or connected. Engineering design will be required for permitting and construction. Adding electrical will make the building useable as a work shop though no insulation or heating/cooling is expected. |                                |
| NEW                    | Sanitary Sewer Line Replacement - 4th Street to 6th Street, Alley south of Hayes St. |                |                           |                      |                    |                  | -              | 65,000  | 320,000 |         |           | Multiple dips (aka bellies) in pipe identified through camera efforts, replacement is necessary to correct. Considering open trenching through unpaved alley. Engineering in '27, construction in '28                                                                                       |                                |
| NEW                    | Sanitary Sewer Line Replacement - 1st St. McKinley to Kennedy                        |                |                           |                      |                    |                  | -              |         | 38,000  | 188,000 |           | Multiple sewer backups have occurred in this line in the last 5 years. Replacement is necessary - Engineering to consider trenchless techniques due to 1st St. concrete paving.                                                                                                             |                                |
| NEW                    | Vehicle Replacement                                                                  |                |                           |                      |                    |                  | -              | 45,000  |         |         |           | 4 Door small AWD SUV for sample runs to Denver                                                                                                                                                                                                                                              |                                |
| NEW                    | RAS/WAS Lab Generator ATS Repair / Replacement                                       |                |                           |                      |                    | 100,000          | 100,000        |         |         |         |           |                                                                                                                                                                                                                                                                                             |                                |
| NEW                    | West Interceptor Design and Construction                                             |                |                           |                      | -                  |                  | -              |         |         | 500,000 | 2,500,000 | Design and construction of an interceptor sewer to serve business development and residential and affordable housing development along the SH1 corridor. Includes crossing the railroad and I-25 and tie into the water reclamation facility.                                               |                                |
| NEW                    | Orbal Restart                                                                        |                |                           |                      | -                  |                  | -              | 50,000  |         |         |           | Bring the orbal back online timing of which will be dependent on timing of Sage Farms and other large developments                                                                                                                                                                          |                                |

TOTAL: \$ 2,177,500 \$ 2,525,093 \$ 4,650,623 \$ 168,155 \$ 367,601 \$ 967,912 \$ 1,128,393 \$ 1,376,680 \$ 3,058,920

2026 TOTAL: \$ 535,756

Capital Projects | Drainage Fund  
Five Year Summary

| GL          | Project Name                                   | BUDGET<br>2025 | 2025 through<br>6/30/2025 | 2025 EOY<br>Estimate | Unexpended<br>2025 | 2026<br>Requests | BUDGET<br>2026 | 2027      | 2028      | 2029      | 2030      | Description                                                                                                                                                                                                                                                       | Project<br>Ranking<br>Priority |
|-------------|------------------------------------------------|----------------|---------------------------|----------------------|--------------------|------------------|----------------|-----------|-----------|-----------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 211-80-4039 | Storm Drain & Pan Replacement                  | 30,000         |                           | 30,000               | -                  | 31,500           | 31,500         | 33,075    | 34,729    | 36,465    | 38,288    | On-going program to re-construct failed storm drainage pans.                                                                                                                                                                                                      |                                |
| 211-80-4065 | B-Dams Improvements                            | 93,534         | 93,534                    | 93,534               | -                  | 93,534           | 93,534         | 93,534    | 93,534    | 12,403    | 12,403    | Wellington's cost share of flood early warning system, emergency response plan, and ongoing maintenance for the B-Dams.                                                                                                                                           |                                |
|             | Regional Drainage Improvements                 |                |                           | -                    | -                  | 475,000          | 475,000        | 2,110,000 | 1,570,000 | 1,350,000 | 775,000   | Future projects as informed by the Stormwater Masterplan.                                                                                                                                                                                                         |                                |
| 211-80-5028 | Outfall for Cleveland Ave Improvements         | 1,000,000      |                           | -                    | 1,000,000          | 505,045          | 1,505,045      |           |           |           |           | Funding for certain elements of the Cleveland Avenue Improvement Project, including the Cleveland and 5th Street Outfall projects, as recommended by the Stormwater Management Masterplan. See overall project line item in the Street Fund for more information. |                                |
| 211-80-5068 | Utilities Rate and Fee Update - Drainage       | 35,000         | 18,738                    | 35,000               | -                  |                  | -              |           |           |           | 45,000    | Five year update to the 2025 Utility Rate and Fee Study, funded between Water, Wastewater, and Drainage Funds.                                                                                                                                                    |                                |
|             | Street Rehabilitation                          |                |                           |                      | -                  | 90,000           | 90,000         | 94,500    | 99,225    | 104,186   | 109,396   | Various street repair and rehabilitation projects throughout town.                                                                                                                                                                                                |                                |
| UPDATED     | Stormwater Off-site Reimbursement - Saddleback |                |                           |                      | -                  | -                | -              | 16,000    | 20,000    | 22,800    | 23,200    | Reimbursements as required by the Development Agreement for the Saddleback Subdivision as amended in 2024, totaling to no more than \$82,000.                                                                                                                     |                                |
|             | Clark Reservoir Dredging                       |                |                           |                      | -                  |                  | -              |           |           |           | 2,000,000 | Project required as part of the agreements associated with the Boxelder Basin Regional Stormwater Authority. The exact timing for when this project will be required is unknown.                                                                                  |                                |

TOTAL: \$ 1,158,534 \$ 112,272 \$ 158,534 \$ 1,000,000 \$ 1,195,079 \$ 2,347,109 \$ 1,817,488 \$ 1,525,854 \$ 3,003,287

2026 TOTAL: \$ 2,195,079

Capital Projects | Park Fund  
Five Year Summary

| GL          | Project Name                                             | BUDGET<br>2025 | 2025 through<br>6/30/2025 | 2025 EOY<br>Estimate | Unexpended<br>2025 | 2026<br>Requests | BUDGET<br>2026 | 2027    | 2028    | 2029   | 2030   | Description                                                                                                                                                                                                                                 | Project<br>Ranking<br>Priority |
|-------------|----------------------------------------------------------|----------------|---------------------------|----------------------|--------------------|------------------|----------------|---------|---------|--------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 211-80-4042 | Parks Master Plan and Community Center Feasibility Study | 175,000        | 13,905                    | 85,000               | 90,000             |                  | 90,000         |         |         |        |        | Blueprint that guides the development and management of town's parks and recreational spaces and trails. Potential to also include Community Center Feasibility Study.                                                                      |                                |
| 211-80-4068 | Replace Soft Trails                                      | 10,000         | -                         | 10,000               | -                  | 10,000           | 10,000         | 10,000  | 10,000  | 10,000 | 10,000 | Replaces soft trails with concrete trails, move soft trail adjacent to new concrete trails where applicable.                                                                                                                                |                                |
| 211-80-4077 | Playground at Viewpointe Park                            |                |                           |                      | -                  |                  | -              | 300,000 |         |        |        | Replacement of playground at Viewpointe Park.                                                                                                                                                                                               |                                |
|             | Pour & Place   Viewpointe Park                           |                |                           |                      | -                  |                  | -              | 80,000  |         |        |        | Add pour & place to Viewpointe Playground.                                                                                                                                                                                                  |                                |
|             | Shade Structure Viewpointe Park                          |                |                           |                      | -                  |                  | -              | 25,000  |         |        |        | Shade structure at Viewpointe Park                                                                                                                                                                                                          |                                |
|             | ADA Bridge across Boxelder Creek                         |                |                           |                      | -                  |                  | -              | 150,000 | 150,000 |        |        | ADA access for public use and disc golfers at Griffin Greens. Current access is on north and south side of park and does not provide safe crossing for student, disc golfers, or those needing to use the restroom facility from the trail. |                                |
|             | Vehicle Replacement - Recreation                         |                |                           |                      | -                  |                  | -              | 60,000  |         |        |        | New safer vehicle                                                                                                                                                                                                                           |                                |
|             | Wellville Pump                                           |                |                           |                      | -                  |                  | -              | 80,000  |         |        |        | Assessment will be done in 2026 to ensure 2027 is the correct year for replacement.                                                                                                                                                         |                                |
| 211-80-5001 | Vehicle Replacement - Park                               | 75,000         | 71,271                    | 71,271               | -                  |                  | -              |         |         |        |        | Completed                                                                                                                                                                                                                                   |                                |
| 211-80-5053 | WCP poured in place Border Replacement                   | 6,930          | 6,070                     | 6,070                | -                  |                  | -              |         |         |        |        | Noted on CIRSA assessment. Completed in FY2025.                                                                                                                                                                                             |                                |
| NEW         | Mower Replacement                                        |                |                           |                      | -                  | 30,000           | 30,000         | 35,000  | 165,000 |        |        | One mower every few years. It is imperative to start replacing old mowers that are failing after years of use. Smaller mowers first, then a larger one in 2028.                                                                             |                                |
| NEW         | UTV Replacement                                          |                |                           |                      | -                  | 55,000           | 55,000         |         |         |        |        | This UTV will be an upgrade to be able to have hydraulics for attachments for various parks/agronomic uses - will come with snow broom and plow blade for trails and Cleveland.                                                             |                                |
| TOTAL:      |                                                          | \$266,930      | \$91,246                  | \$172,341            | \$90,000           | \$95,000         |                | 740,000 | 325,000 | 10,000 | 10,000 |                                                                                                                                                                                                                                             |                                |
|             |                                                          |                |                           | 2026 TOTAL:          | \$185,000          |                  |                |         |         |        |        |                                                                                                                                                                                                                                             |                                |

## **Board of Trustees Meeting**

**Date:** September 30, 2025  
**Subject:** 4th of July Video & Screen Options

- **Presentation: Kelly Houghteling, Deputy Town Administrator**

### **BACKGROUND / DISCUSSION**

Traditionally, prior to the 4th of July fireworks display, a video is shown to attendees. This is a patriotic video that highlights early U.S. history. The current video runs approximately 26 minutes. At the August 26, 2025, Board of Trustees meeting, the Board requested staff provide options for video production, including costs associated with production and screen rental. The following outlines those options.

#### Video Options

##### Option 1: Bee Lake Productions

- Option 1.a – Historic Video (26 minutes):  
Cost: \$500 for the same video as last year, with minor updates.
- Option 1.b – New Video for 250th Anniversary:  
Cost: \$2,500 for an updated production recognizing the nation's 250th anniversary.

##### Option 2: In-House Production

- Staff is prepared to produce a new video internally.
- To address concerns about length mentioned at last meeting, the video could be shortened to 10–15 minutes.
- In-house production ensures ADA compliance.
- Staff will explore if we can share the video online for residents unable to attend in person.
- Cost: No additional cost.

##### Option 3: Partnership with Wellington Middle-High School

- As discussed during the August 26 meeting, the Town could consider a future partnership with the high school.
- Due to the school year already being underway and no formal agreement or production structure in place, staff recommends revisiting this option for future years rather than 2026.

#### Screen Rental Options

- Option 1: 50' diagonal screen: \$4,000 (current screen)

- Option 2: Smaller screen: Bee Lake Production has reached out to the screen rental vendor and said the vendor has not finalized 2026 pricing, and based on 2025 rates, a 30' screen would likely cost about half as much as the 50' screen.

### **STAFF RECOMMENDATION**

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Staff requests Board feedback on which video production option to pursue for 2026, as well as guidance on screen size preference.

### **ATTACHMENTS**

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None